

ROUTE IN ENVELOPE

Date: 3/28/67

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL REGISTERED MAIL
(Priority)

TO : DIRECTOR, FBI (100-428091)

FROM: SAC, CHICAGO (134-46 Sub B)

SOLO
IS-C

On 3/22/67 CG 5824-S* advised SAs WALTER A. BOYLE and RICHARD W. HANSEN that in his last meeting with GUS HALL, General Secretary, CP, USA, HALL raised the matter of the forthcoming meeting of the European CPs scheduled at Karlov Vary, Czechoslovakia, 4/24/67 through 4/27/67, which was reportedly to discuss the topic of European security. At the time, HALL stated it would be desirable for the CP, USA to have an "observer" at this meeting and wanted some of the European Parties contacted in connection with this idea. He instructed CG 5824-S* to contact some of the European Parties and secure their reaction on the question of a CP, USA observer being present. Such a person, if he attended, would not participate in the meeting.

In view of the foregoing, CG 5824-S* prepared a number of communications directed to various European CPs. Since NY 694-S* would be traveling abroad in the near future, it was believed possible that he could carry these communications with him and deliver them to representatives of the various CPs. Many of the Parties to whom the communications were addressed would have representatives in Prague, Czechoslovakia, who would be in a position to receive them and transmit these communications to their home Parties.

1-104 962
3-Bureau (Enc. 5) (RM)
1-New York (100-134637) (Enc. 5) (Info) (RM)
1-Chicago
RWH:MDW
(5)

REC-71

6 APR 4 1967

Approved: *[Signature]*

Sent _____ M Per _____

65 APR 6 1967

Special Agent in Charge

CG 134-46 Sub B

Enclosed herewith for the Bureau and New York are ~~the~~ Xerox copies of the following described documents:

- 1) Letter addressed to "Luigi Longo, General Secretary, Communist Party of Italy," dated 3/28/67, signed Gus Hall, General Secretary, National Committee, CP, USA, together with an article from "The Worker," 3/19/67, page 5, by HALL captioned, "Requiem for NATO: What Delays the Burial?"
- 2) Letter to "Waldeck Rochet, General Secretary, Communist Party of France," dated 3/28/67, signed Gus Hall, General Secretary, National Committee, CP, USA.
- 3) Letter to "Max Reimann, First Secretary, Central Committee, Communist Party of Germany," dated 3/28/67, signed Gus Hall, General Secretary, National Committee, CP, USA.
- 4) Letter to "Central Committee, Communist Party of the Soviet Union," dated 3/28/67, signed Gus Hall, General Secretary, National Committee, CP, USA.
- 5) A short cover letter addressed to "Dear Johnny" (JOHN WILLIAMSON) and signed "David" (CG 5824-S*); a letter addressed to "John Gollan, General Secretary, Communist Party of Great Britain," dated 3/30/67, signed Gus Hall; a copy of an article by HALL from "The Worker," 3/19/67, captioned "Requiem for NATO: What Delays the Burial?"; and, an addressed envelope setting forth a mail drop address for JOHN WILLIAMSON previously supplied to CG 5824-S* in which the foregoing items will be mailed.

ENCLOSURES (5) TO BUREAU FROM CHICAGO

5 Xerox copies of documents prepared by
CG 5824-S* re CP matter

RE: SOLO
IS-C

Bufile 100-428091
CGfile 134-46 Sub B

Transmitted via CGairtel to Bureau 3/28/67



100-428091-66171
ENCLOSURE

COMMUNIST PARTY, U. S. A.

23 WEST 26th STREET • NEW YORK 10, N. Y. • MU. 5-5755

March 28, 1967

Central Committee
Communist Party of the Soviet Union

Dear Comrades:

This is to let you know that I have been in touch with some comrades from European Parties exchanging thoughts with them on an idea. It is the question of our Party, if possible, sending an observer to attend the meeting of European Parties April 24-27 at Karlovy Vary, Czechoslovakia. Here is what I said to Comrade Rochet, Comrade Longo, and, in essence, to Comrade Gollan:

I wonder what you think of the idea of the CPUSA sending an observer to the meeting of the European Parties being held April 24-27 at Karlovy Vary, Czechoslovakia. The reason I am raising such a question is that our Party has in no way been involved in regional discussions in view of the fact that North America has only two Parties and we have been generally excluded from the Latin American regional meetings. We also feel that the question of European security is not unrelated to the role of U.S. imperialism, not only in the aggressive war it is waging in Vietnam but also as it particularly affects the security of Europe and the future of the NATO war bloc.

The exchange of thoughts and perhaps even decisions you may be making there will undoubtedly be of concern and importance to us in our struggle against Wall Street imperialism. Therefore, we wonder what you think of the idea of the CPUSA having an OBSERVER listening to your discussions.

I don't know whether they have raised this problem with you or not but I thought you should know that I had discussed this question with them when I was in Europe and have sent them my thoughts in recent correspondence. Of course, I would be very happy to have your thinking on this suggestion of our having an observer present at this meeting.

With warmest, fraternal greetings,

Comradely yours,

Gus Hall
General Secretary
National Committee
Communist Party, U.S.A.

100-428091-617

COMMUNIST PARTY, U. S. A.

23 WEST 26th STREET • NEW YORK 10, N. Y. • MU. 5-5755

March 28, 1967

Max Reimann
First Secretary
Central Committee
Communist Party of Germany

Dear Comrade Reimann:

Greetings and salutations to you and to your Party. We are aware of the heroic daily struggle that the CP of Germany conducts in the interests of the working class and for world peace. We take great interest in your work and are particularly aware of your numerous demonstrations against U.S. imperialism's aggressive war in Vietnam. Your fight against repressive laws reminds us of our own and similar struggles against the infamous McCarran Act. We are confident that just as we are making progress to win some measure of legality for our Party in defeating the monstrous laws of our Wall Street trusts, so we are confident you will do the same and no amount of "extraordinary" decrees or repression can keep your Party from reaching the masses.

Dear Comrade Reimann, this is an informal letter to tell you that I have sent some brief notes to some other fraternal European Parties asking them what they think of the idea of the CPUSA sending an observer to the meeting of European Parties to be held April 24-27 at Karlovy Vary, Czechoslovakia. It is our feeling that the question of European security is not unrelated to the aggressive role of U.S. imperialism and its war in Vietnam, but also as it affects the security of Europe. As you know, West German imperialism is the chief NATO ally of U.S. imperialism which is, of course, of particular importance to us. In view of the fact that the exchange of thoughts or decisions, if any, that you may make will be of concern and importance to us, we thought that a comrade from the CPUSA merely as an OBSERVER would be a good idea.

Would you please give this question your thoughtful consideration and if you think this idea is feasible, would you also, on our behalf, raise this thought with some other fraternal Parties of Europe. If you feel that you have the time or that you want to, you can send me an air mail letter to the above address. We have not met personally but I hope that some day soon we will have this opportunity.

With my warmest and heartfelt regards,

Comradely yours,

Gus Hall
General Secretary
National Committee
Communist Party, U.S.A.

100-428021-6771

COMMUNIST PARTY, U. S. A.

23 WEST 26th STREET • NEW YORK 10, N.Y. • MU. 5-5755

March 28, 1967

Waldeck Rochet
General Secretary
Communist Party of France

Dear Comrade Rochet:

My hearty and warm congratulations to you, your leadership and your Party on the magnificent victory that you have achieved in the last electoral campaign. These words that I am conveying to you were formally discussed at the last meeting of our National Executive Board which met in New York in March, and I was asked to send this message to you. We also listened attentively to a report by our Comrade James Jackson about the successful work of your Eighteenth Party Congress.

I wonder what you think of the idea of the CPUSA sending an observer to the meeting of the European Parties being held April 24-27 at Karlovy Vary, Czechoslovakia. The reason I am raising such a question is that our Party has in no way been involved in regional discussions in view of the fact that North America has only two Parties and we have been generally excluded from the Latin American regional meetings. We also feel that the question of European security is not unrelated to the role of U.S. imperialism, not only in the aggressive war it is waging in Vietnam but also as it particularly affects the security of Europe and the future of the NATO war bloc.

The exchange of thoughts and perhaps even decisions you may be making there will undoubtedly be of concern and importance to us in our struggle against Wall Street imperialism. Therefore, we wonder what you think of the idea of the CPUSA having an OBSERVER listening to your discussions.

Would you please give us your opinion and let me know your thinking on this. We are also sending a brief note with similar thoughts to Comrade Longo and Comrade Gollan. If you think this idea has any merit, would you, in our behalf, raise with some of the other fraternal and brother Parties of Europe this question of the possibility of inviting an observer of the CPUSA to this meeting at Karlovy Vary.

Closing with the wish for a successful meeting of the brother European Parties and the hope that this will strengthen the unity of our world movement.

With warmest fraternal greetings,

Comradely yours,

Gus Hall
General Secretary
National Committee
Communist Party, U.S.A.

100-478091-657

COMMUNIST PARTY, U. S. A.

23 WEST 26th STREET • NEW YORK 10, N. Y. • MU. 5-5755

March 28, 1967.

Luigi Longo
General Secretary
Communist Party of Italy

Dear Comrade Longo:

My greetings and salutations. Our summer meeting in Italy left an indelible impression on me. I will never forget this. I want to tell you that as a result of my visit to Italy and discussions with you and the other leadership, we have drawn certain lessons for our Party in the United States. I also want to take this occasion to thank you for the paintings that we have received this last week.

Dear Comrade Longo, this letter is not merely to say hello and thanks to you or to invoke a memorable meeting, but to raise another important question with you. You recall our conversation of last summer when I pointed out that regional meetings of fraternal Parties are a very good idea, but the fact remains that the American communists are left out of all such gatherings. You may recall that we discussed one idea, and that was the possibility of the CPUSA perhaps participating together with other European Parties in a discussion regarding such problems as NATO.

I wonder if you would do us a fraternal favor and raise this thought with some other brother Parties concerning the advisability of the CPUSA sending an OBSERVER to the meeting of European Parties April 24-27 at Karlovy Vary, Czechoslovakia, which, according to our press, will undoubtedly deal with the question of NATO. Particularly, would you perhaps raise this with the leaders of the CP of France, the CP of Great Britain, the CP of Czechoslovakia, the CP of West Germany, and if you think so, with other Parties.

Also I would ask you if you would please give me your own thoughts on this as soon as you possibly can via cable or air mail. Please do not hesitate to tell me your frank opinion even if your thoughts should perhaps run counter to mine.

With warmest fraternal greetings,

Comradely yours,

Gus Hall
General Secretary
National Committee
Communist Party, U.S.A.

100-428091-6171

Requiem for NATO: What Delays the Burial?

By GUS HALL

THE CAUSE of death was a defective birth. The requiem was sung by De Gaulle. The theme of the requiem was his statement, "For France the cold war is dead." The corpse remains unburied polluting the political atmosphere only because the U.S. refused to accept the reality of its demise. Attempts to revive NATO is like trying to revive the dead.

The crisis of NATO is more than a crisis of a military alliance. In fact it is only the by-product of a much deeper crisis. It results from a crisis of U.S. foreign policy.

Since 1949 the cold war has been the main ingredient of U.S. foreign policy. In fact, the cold war is U.S. foreign policy. It embraces both the main, long-term strategic outlook as well as the immediate tactical considerations of U.S. imperialism. Such military alliances as NATO, SEATO and the trade and economic pacts associated with this policy are the implementation features of the cold war. They are the cold war fences of U.S. imperialism.

These alliances were formed behind history's most massive propaganda barrage of the big lie of the danger of Soviet aggression. Churchill's "iron curtain," Dulles' "massive retaliation" and "containment of communism" became the call letters for this huge diabolical fraud. Behind the total lie of building a defense against the alleged Soviet aggression, U.S. imperialism

built an unprecedented worldwide offensive military aggression and a political network. The U.S. foreign military bases in 31 countries, the encircling U.S. naval force, the 24-hour-a-day atomic bomber fleet, the Voice of America, the U.S. Information agencies are only the surface manifestations of this offensive aggressive effort.

U.S. IMPERIALISM had a three-purpose plan in mind. The overriding aim was to enhance U.S. strategic plans for domination of the world. To achieve this, the United States had to overcome three main forces that blocked its path. Of these, the chief obstacle was the world system of socialist states. And of the socialist states, the Soviet Union with its military, political and economic might appeared as the main challenge.

And so, for U.S. imperialism it became the enemy No. 1. This explains why anti-Sovietism as a specific form of anti-Communism is the main fiber running through all of U.S. capitalist class ideology.

THE SECOND obstacle in its path were the peoples of the oppressed colonial world. The breakdown of the old colonial empires presented U.S. imperialism with what appeared as a unique opportunity, an opportunity to pick up the rich pieces. Thus U.S. spokesmen played with sections of the world like the racist real estate operators do with blocking up lily-white blocks but only to turn them into profitable segregated areas.

U.S. imperialism starting with

FDR has given lip service to the right of self-determination and to the breaking up of the old imperialist empires, but with the distinct aim of U.S. monopoly finance capital replacing the old colonial slave masters.

THE THIRD aim was to draw the remaining weakened capitalist world into the web of U.S. imperialism as junior partners and to guarantee that the workers of these countries would remain powerless and enslaved. This was the three-pronged strategic postwar role of U.S. monopoly capitalism.

The cold war and all of its components — NATO, SEATO, the strategic products, boycott, the Marshall Plan, the hasty unilateral setting up of a West Germany at the insistence of U.S. spokesmen in violation of the Potsdam agreement — were aimed to offset and stymie popular movements such as striving for a democratic reunification.

The strategic plan behind the cold war was indeed the world's most blatant example of arrogance of power. It was arrogance of power but it was a concept based on a myth, on a basic miscalculation. The plan did not take into account the dynamic forces of history, the forces that give history both direction and mobility.

The realities of life are dealing one devastating blow after another to this overall concept of aggression. The socialist system has become ever more formidable. The peoples of the old colonial empires have no intention of changing masters. They are out to get rid of all foreign

masters. The other capitalist countries are acting in their own national self-interests. Thus the U.S. grand design of conquest founders on the rocks of these realities.

WE ARE witnessing the failure of a basic policy. The cold war fences are turning into their very opposite. The United States is left holding a bagful of trade restrictions which now restrict only U.S. monopolies in trade. The policy and the fences designed to isolate the socialist world are now isolating the U.S. All nations are coming to the conclusion that the cold war is against their best self-interests. This is the root cause for the crisis of NATO. It is turning into a worthless relic. Its birth was a response to a conjured-up nightmare that never took place and so it was defective at birth. It now stands as the great fraud of the twentieth century.

The question emerging in the minds of most NATO partners is not how to build it but how to put it on the shelf. The arch-effects of the fraud are also its some difficulties. They also face a dilemma. If the claim to existence of NATO was the alleged Soviet aggression, now that NATO is crumbling the question emerges: Should they admit that it was constructed because of a fraud or should they now admit that the Soviet Union does not have aggressive intentions?

In either case they have to give up a fundamental ideological concept. It is in the nature of spokesmen for imperialism that they will admit to anything but the truth; and the truth is that NATO

BRITAIN	30,000
FRANCE	34,000
ITALY	5,000
SPAIN	10,000
MEDITERRANEAN	35,000
WEST GERMANY	210,000
WEST GERMANY	210,000
WEST BERLIN	5,000
ICELAND	4,000
GREENLAND	6,000

U.S. TROOPS in Europe before French withdrawal from NATO. Based on N.Y. Times estimates, May 8, 1966.

was built on a conjured-up big lie, the fraudulent vision of alleged Soviet aggression, and that NATO was and is an instrument for the purposes of the aggressive designs of U.S. imperialism. Imperialism has not and will not give up its aggressive designs. But the reality of the balance in relationship of world forces is forcing it to reconsider its tactical stance. Some think they can redesign NATO to serve the old strategic goal with new tactical plans. Be that as it may, the old NATO is dead and other spokesmen of the capitalist world will have to join De Gaulle in singing the requiem on its demise.

★

FINAL ARTICLE in the "Great Decisions" series will be on the topic, "The War on Hunger: How Can It Be Won?"

Chicago, Illinois

Dear Johnny,

Will you please give the enclosed to J.G.
This is from Gus.

How are you? How is the family? I hope
some day soon to be able to see you.

Someone who is traveling dropped this off
for me when passing through.

As ever,

David

100 - 428091 - 6171

COMMUNIST PARTY, U. S. A.

23 WEST 26th STREET • NEW YORK 10, N. Y. • MU. 5-5755

March 30, 1967

John Gollan
General Secretary
Communist Party of Great Britain

Dear Johnny,

I suppose you heard that we are planning a daily paper. At the last meeting of our National Executive Board we discussed the problem based to some extent on your experiences and we hope that as a result of Al Richmond's visit we will profit. As you know, this project of a daily paper is made possible by our recent victory in the appellate court against the McCarran Act. The ruling virtually knocks out the registration part of that law and with it the slander of "foreign agent."

Dear Johnny, this note has another purpose. I want to get your opinion on the following thought. As you know, our Party is excluded from all regional meetings of Parties. This is due to the fact that North America has only two Parties and we have generally not been "included" in the regional meetings of the Latin American Parties. According to our press, the forthcoming meeting of European Parties April 24-27 at Karlovy Vary, Czechoslovakia, will undoubtedly deal with the question of NATO which is of importance to us. It is our feeling that the question of European security is not unrelated to the role of U.S. imperialism, not only in the aggressive war it is waging in Vietnam, but also as it particularly affects the security of Europe. What do you think of the idea of the CPUSA sending a comrade to the meeting of European Parties merely as an OBSERVER? We would like to listen to the discussions since the conclusions and decisions you will be making there will undoubtedly be of concern and importance to us.

If you think this thought has any merit, I would ask you to please raise this idea with some of the other Parties in Europe, such as the French, the Italians, or the Czechs. If you have the time, would you please let me know what you think. You can reply by air mail as soon as possible. I would certainly appreciate hearing from you. Thanks for the reception your people gave to Al.

With my best personal regards and comradely greetings,

Gus Hall

Mr. Dick Childs

3 Redberry Grove

SE 26, London

~~TOP~~

~~NO FOREIGN DISSEMINATION~~

ROUTE IN ENVELOPE

1 - Liaison

BY LIAISON

1 - Mr. R. C. Putnam

Date: March 17, 1967

To: Director
Central Intelligence Agency

Attention: Deputy Director, Plans

From: John Edgar Hoover, Director

Subject: ~~INTERNATIONAL LENIN SCHOOL~~

Handwritten: To Mr. A 3/20/67
Stamp: 050/0

Referral/Consult

developed.

The following was supplied by sources which have furnished reliable information in the past. The sources obtained this information from conversations had with an individual who visited the school, was provided a tour of its facilities, and who had an interview with the Director of the International Lenin School.

In the various classrooms and laboratories observed, the students were taught the manufacture and repair of engines and motors, the driving of motor vehicles, the use of radio and television facilities, as well as the use and establishment of complete printing shops which could be set up for both legal and illegal operations.

This visitor was told that the International Lenin School was a complete school operating as in the days of the Communist International. It was made clear that no important facet of training, including the use of explosives, firearms, and the like, was excluded, nor was training in the use of revolutionary tactics neglected. However, the

- Tolson
- DeLoach
- Mohr
- Wick
- Casper
- Callahan
- Conrad
- Felt
- Gale
- Rosen
- Sullivan
- Tavel
- Trotter
- Tele. Room
- Holmes
- Gandy

RCP:dmk
(5)

~~TOP SECRET/NO FOREIGN DISSEMINATION~~

GROUP 1

Excluded from automatic
downgrading and
declassification

SEE NOTE PAGE TWO

65 MAR 23 1967 TELETYPE UNIT ☐

~~TOP SECRET/NO FOREIGN DISSEMINATION~~

Director
Central Intelligence Agency

visitor did not have an opportunity to observe all phases of training conducted at the International Lenin School. It was surmised that some of this training was conducted at another location as during the days of the old Lenin School in the 1930's when training in military arms and explosives was taught at the Frunze Military Academy along with guerrilla tactics.

Our sources also learned that, to date, the Communist Party, USA, has not sent any students to the International Lenin School in Moscow, Russia, but the possibility of doing so in the future has been favorably received by leaders of the Communist Party, USA. As of November, 1966, the only major western communist parties which did not, as yet, have students enrolled in the International Lenin School were the Communist Party, USA, and the Communist Party of Great Britain. The Communist Party of Canada has had a number of students at this school, including current leaders of the Communist Party of Canada, Sam Walsh and Phyllis Clarke.

Because of the sensitive nature of the sources which furnished the above information, this communication is classified "~~TOP SECRET/NO FOREIGN DISSEMINATION~~."

NOTE:-

Classified "~~TOP SECRET/NO FOREIGN DISSEMINATION~~" since unauthorized disclosure of this information could reveal identity of source (CG 5824-S*) who is of continuing value and such revelation could result in exceptionally grave damage to the Nation. CG 5824-S* is referred to as "sources" in order to further protect identity of this valuable informant. [REDACTED]

Referral/Consult

[REDACTED] CG 5824-S* was in the Soviet Union and we advised [REDACTED] our sources would be contacted. Data extracted from Chicago airtel 3/9/67, captioned "Solo, IS-C."

~~TOP SECRET/NO FOREIGN DISSEMINATION~~

ROUTE IN ENVELOPE
FBI

Date: 3/28/67

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL REGISTERED
(Priority)

TO : DIRECTOR, FBI (100-428091)
 FROM : SAC, NEW YORK (100-134637)
 SUBJECT: SOLO
 IS-C

On 3/28/67, there was received from Moscow, via radio, a ciphered-partially coded message, the plain text of which is as follows:

"For GUS HALL:

"PHILIP FONER, now in Cuba, asked for lecturing in Moscow State University. Since University does not plan lectures by foreign scholars before next semester, please inform whether you agree to FONER's and his wife's coming to Moscow under quota allotted to CPUSA members for rest and medical care in the USSR."

PHILIP FONER (Bufile 100-40263) is a writer and a well-known CPUSA member.

1-90496D
 3 - Bureau (RM)
 1 - Chicago (134-46-Sub B)(AM RM) ST-103
 1 - NY 134-91 (INV)(41)
 1 - NY 100-134637 (41) REC 5 100-428091-1173

ACB:msb
 (7)

6 APR 5 1967

Approved: *55 [Signature]*

Sent _____ M Per _____

65 APR 10 1967 Special Agent in Charge

ROUTE IN ENVELOPE

Date: 3/28/67

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL REGISTERED MAIL
(Priority)

TO : DIRECTOR, FBI (100-428091)

FROM: SAC, CHICAGO (134-46 Sub B)

SOLO
IS-C

In connection with the pending 23rd Solo Mission of NY 694-S* to the Soviet Union, GUS HALL, General Secretary of the CP, USA, has instructed that a number of matters be taken up with representatives of the CP of the Soviet Union (CPSU). Some of the matters to be raised with representatives of the CPSU were set forth in documents prepared by CG 5824-S* which he will furnish to NY 694-S* who will, if he deems it advisable, personally carry them abroad and deliver them to the representatives of the CPSU in Moscow.

Xerox copies of the documents prepared by CG 5824-S* have been made and one copy each of the below-listed documents is enclosed herewith for the Bureau and New York:

1) One-page letter addressed to the "Central Committee, Communist Party of the Soviet Union," dated 3/28/67, signed by Gus Hall, General Secretary, National Committee, CP, USA, requesting an expeditious solution to problems concerning the CP, USA subsidy for 1967;

2) Two-page letter addressed to "Central Committee, Communist Party of the Soviet Union," dated 3/28/67, signed in the name of the Secretariat, CP, USA. This letter deals with several matters including: 1) an order for 1,000 copies of a recent book authored by JAMES E. JACKSON and published

100-428091-6174
3-Bureau (Enc. 3) (RM)

1-New York (100-134637) (Enc. 3) (Info) (RM)

1-Chicago

RWH:MDW

(5)

REC 5

ST-103

6 APR 5 1967

Approved: [Signature]

Sent _____ M Per _____

Special Agent in Charge
65 APR 10 1967

CG 134-46 Sub B

in the Soviet Union; 2) re-establishment of a CP, USA controlled outlet in the U.S. for dissemination and sale of Soviet books and pamphlets; and, 3) inquiry concerning a current translation of a two-volume history of the Spanish Civil War which is now being published in the Soviet Union and which the CP, USA would also like to publish.

3) One-page letter addressed to the "Central Committee, Communist Party of the Soviet Union," dated 3/28/67, signed by Gus Hall, General Secretary, National Committee, CP, USA. This item deals with the fact that NY 694-S*, based on a decision of the National Executive Board, CP, USA, is to again raise with representatives of the CPSU some facets of the WILLIAM ALBERTSON case.

ENCLOSURES (3) TO BUREAU FROM CHICAGO

3 Xerox copies of letters prepared by
CG 5824-S* for NY 694-S* pertinent to
CPSU

RE: SOLO
IS-C

Bufile 100-428091
CGfile 134-46 Sub B

Transmitted via CGairtel to Bureau 3/28/67



100 428091-6174
ENCLOSURE

March 28, 1967.

Central Committee
Communist Party of the
Soviet Union

Dear Comrades:

At the last meeting of our National Executive Board held in March, 1967, we had a discussion on the William Albertson case based on a decision at our 18th National Convention. We instructed Rex Spring to take up some facets of this question with you. We would appreciate all the cooperation you can give him. He will explain the details regarding this matter.

With warmest fraternal greetings, ---

Comradely yours,

Gus Hall
General Secretary
National Committee
Communist Party, U.S.A.

100-428091-6174

March 28, 1967

Central Committee
Communist Party of the
Soviet Union

Dear Comrades:

Since Comrade Jack Brooks is traveling and will be in Moscow, I have designated him to take up with you a number of problems pending, which need discussion and solution. Of course, when you talk to Comrade Brooks, you will work out more concrete details on the question of the delivery of color prints. We are confident you were prompted by important considerations when you postponed this delivery. May I suggest in talking to Comrade Brooks, that we resolve whatever impediments there may be and expedite the delivery. I also want to assure you that we are working on other methods but these are slow in maturing. Months may go by before we have the kind of a set-up which we, myself and Comrade Hub, discussed with you both last year and this January.

As you undoubtedly know from discussion and conversation, we are in a very serious position. We have been working on the assumption that certain budgetary problems would be solved by certain dates. We are carrying through tasks chiefly on loans and may have to give consideration to setting new dates in our program of launching a daily, a decision made at our National Executive Board meeting in March.

We also want to inform you that we have already advanced for 1967 to Jessica Smith.

We regret that we have to raise this problem once more since we have never questioned your comradely efforts, your fraternal solidarity and generosity. I hope the problems causing the delay will be soon resolved.

With warmest fraternal greetings,

Comradely yours,

Gus Hall
General Secretary
National Committee
Communist Party, U.S.A.

100-428091-6174

March 28, 1967

Central Committee
Communist Party of the Soviet Union

Dear Comrades:

As a Party, we are addressing this note to you, but we would ask you would you please take up these following matters with the appropriate agencies or institutions concerned.

Dear Comrades, we are ordering 1,000 copies of the book by Comrade James Jackson which you have just published. These books should be addressed to James Jackson, Publisher, The Worker, 23 W. 26th Street, New York, N.Y. 10010. We will distribute these books through New Outlook Publishers. We are assuming responsibility for the payment for these books.

A second matter we wish to take up is the following. At the present moment, there is no Soviet book distributing agency in the U.S. guided or controlled by our Party. The other distributing agencies that handle Soviet publications and books are interested only in the profit and not in the volume of distribution. This peculiar situation developed as a result of the closing down of New Era Books. Undoubtedly, Phil Frankfeld had numerous shortcomings but the liquidation of this outlet was not altogether due to him. At this time we do not want to get into a discussion of all the reasons and the responsibilities to be assessed for the closing of this outlet. We rather want to discuss the question of opening up a new agency. We think that the establishment of such an agency deserves your support for no one is more interested in distributing Soviet literature than we are.

The Puerto Rican Party is establishing a number of bookstores throughout the island. At the moment they are talking about several stores. We do not know the exact number. We want to help the CP of Puerto Rico. We therefore intend to use the distributing agency to also send literature to Puerto Rico. The agency here in New York will assume the responsibility for the books. At the present time our bookstores obtain Soviet literature and other materials and publications from the Soviet Union through Canada. You understand of course that this arrangement is not only irrational and difficult but also very expensive.

We would very much like for you to give this problem your most serious consideration and we will recommend a responsible person to take charge.

100-428071-6170

Dear Comrades, there is one other problem that we hope you can take up with the people or institution concerned. Who is translating or will translate the two volumes on the history of the civil war in Spain? We would like to publish these volumes if there is a good translation. We hope we will hear from you about this problem very soon.

Dear Comrades, please extend our thanks for expediting the agreement between our Comrade James Allen of International Publishers and Mezhd Kniga. This agreement will greatly facilitate our work.

We wish to thank you for referring these matters to the proper institutions and agencies.

With warm fraternal greetings,

Comradely yours,

Secretariat
Communist Party, U.S.A.

ROUTE IN ENVELOPE

FBI

Date: 3/31/67

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL REGISTERED
(Priority)

TO : DIRECTOR, FBI (100-428091)
 FROM : SAC, NEW YORK (100-134647)
 SUBJECT: SOLO
 IS-C

On 3/31/67, NY 694-S* advised that, en route to Moscow, he will leave NYC at 10:00 AM, 4/2/67, for London via PAA 100, arriving at 10:40 PM on that date. He will leave London for Prague at 12:20 PM, 4/3/67, via BEA 918, arriving there at 2:05 PM. His departure from Prague to Moscow will depend upon whatever arrangements have been made for him by the Soviet Embassy in Prague.

1-904 94D
 1-3 - Bureau (RM)
 1 - Chicago (134-46-Sub B) (AM RM) REC 5
 1 - NY 134-91 (INV) (41)
 1 - NY 100-134637 (41)

ST-103

100-428091-6175

APR 5 1967

ACB:msb
(7)Approved: _____
Special Agent in Charge

Sent _____ M Per _____

65 APR 10 1967

ROUTE IN ENVELOPE

UNITED STATES GOVERNMENT

Memorandum

TO : Mr. W. C. Sullivan

DATE: 3/31/67

FROM : J. A. Sizoo

1 - Mr. DeLoach
1 - Mr. Sullivan

SUBJECT: SOLO
INTERNAL SECURITY - COMMUNIST

1 - Mr. J. A. Sizoo
1 - Mr. Rozamus
1 - Mr. R. C. Putnam

Tolson _____
DeLoach _____
Mohr _____
Wick _____
Casper _____
Callahan _____
Conrad _____
Felt _____
Gale _____
Rosen _____
Sullivan _____
Tavel _____
Trotter _____
Tele. Room _____
Holmes _____
Gandy _____

Solo is the code word for the liaison operation performed by our top informants between the Communist Party, USA, and other communist parties.

NY 694-S* is scheduled to depart Sunday, 4/2/67, on Solo Mission 23 to the Soviet Union to discuss technical aspects of the clandestine communications and handling of funds used in this operation with officials of the Security Branch, Central Committee, Communist Party of the Soviet Union. He is also to discuss the utilization of NY 4309-S in this operation. NY 4309-S is also to be present for part of these interviews. However, he will travel separately.

On this date, Special Agent in Charge Donald E. Roney of our New York Office called to request authorization to make funds available to NY 694-S* for the purchase of necessary clothing and luggage required to provide adequate security to informant while on this mission. These items must be processed by informant to change labels, special hiding places for notes, and the like. Since time is of the essence, Special Agent in Charge Roney was authorized to advance up to \$200 to NY 694-S* for the purpose indicated above.

ACTION:

For information.

EX-113

REC 49

100-428091-6176

100-428091

8 APR 5 1967

1 - Mr. M. E. Row (6221-IB)

JAS:dmk
(7)

55
65 APR 10 1967

ROUTE IN ENVELOPE

Date: 4/3/67

Transmit the following in _____
(Type in plaintext or code)Via 1/ AIRTEL REGISTERED
(Priority)

TO : DIRECTOR, FBI (100-428091)
 FROM : SAC, NEW YORK (100-134637)
 SUBJECT: SOLO
 IS-C

On 4/2/67, NY 694-S* left the USA for Moscow by route reported in NYairtel 3/31/67. He took with him for delivery to the Soviets and to the CP of Czechoslovakia a number of messages, some in code and on microfilm, and others documentary, which he carried on his person.

The aforesaid messages are as follows:

(1) "~~Confidential~~" March 28, 1967

"Central Committee
 Communist Party Czechoslovakia

"Dear Comrades:

"This will introduce you to Comrade Brooks. If he should need any krons you can take it from the fund left with Comrade Frybert and Comrade Kopta.

"Comrade Hy Lumer, wife Dorothy, as well as Comrade Dorothy Healey, who are delegates to the Congress of SUPG, will be traveling through your country on their way to Berlin about the 15th of April. Would you please arrange that they receive transit visas.

- 1 - 704 940
 1 - Bureau (RM)
 1 - Chicago (134-46-Sub B) (AM RM)
 1 - NY 134-91 (INV) (41)
 1 - NY 105-14931-Sub C (TALANOV) (341)
 1 - NY 100-134637 (41)

EX-113 REC 49

6 APR 5 1967

ACB:msb
 (8)

Approved: _____

65 APR 11 1967 Special Agent in Charge

Sent _____ M Per _____

NY 100-134637

"Once again, any cooperation you extend to Comrade Brooks will be highly appreciated.

"With warm comradely regards,

"Comradely yours,

"CG 5824-S*
Secretary
International Affairs
Department
National Committee
Communist Party, U.S.A."

(2) "CCCPSU

March 24, 1967

"Dear Comrades:

"Since Comrade Jack Brooks is traveling and will be in Moscow, I have designated him to take up with you a number of pending problems, which need discussion and solution.

"Of course, when you talk to Comrade Brooks you will work out more concrete details on the question of delivery of money. We are confident that you were prompted by most important considerations when you postponed this delivery. May I suggest in talking with Comrade Brooks that we resolve whatever impediments there may be and expedite delivery of this important matter.

"I also want to assure you that we are working on other methods but they are slow in maturing. Months may go by before we have the kind of solution which we - myself and Comrade CG 5824-S* - discussed with you both last year and this January.

"As you undoubtedly know from discussion and conversation, we are in a very serious position. We have been

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"working on the assumption that certain financial problems may be solved by certain dates. We are carrying through tasks chiefly on loans and may have to give consideration to setting new dates in our program on launching a "daily"-decision made at our "National Executive Board meeting in March.

"We also want to inform you that we have already taken care of Jessica Smith's 1967 needs.

"We regret that we have to raise this problem once more since we have never questioned your comradely efforts, your fraternal solidarity and cooperation. I hope the problems concerning the delay will soon be resolved.

"With warmest fraternal greetings.

"Comradely yours,

"GUS HALL
General Secretary - CPUSA"

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(3) To CPNY

May 1st Delegation From
the Communist Party, U.S.A.

Helen A. Winter - Leader of the Delegation. Member of the National Committee and National Executive Board.

Dr. David Kimmelman
Edith Kimmelman - wife
Michael Kimmelman - son, eight years
(Activists with professionals and intellectuals)

Jack O'Dell - (Former seaman; writer with "Freedomways")

Frank Pellegrino - (Charter member of Communist Party; workman; member of ACPA)

Mrs. Bessie Pellegrino - (Wife of Frank Pellegrino; former clothing worker; retired)

Elsie L. Gilman - (Member since 1936; unemployed; was involved in unemployed and Trade Union struggles during the 1930's; active in Negro Freedom Struggles involving participation of the Jewish Community; member National Jewish Commission)

Jarvis Tyner - (Member National Committee, shop worker, union shop steward; youth activist as representative in his community of the DuBois Clubs; member of the CP for about three years; member of the National Youth Commission of the CP)

Arlene Tyner - (Member National Youth Commission of CP; member of CP for about three years; Youth Director of the CP, Eastern Pennsylvania District)

Edward Texeira - (Member National Committee; leader of the CP, New England District; former shop worker; member National Negro Commission)

Mrs. Tillie Texeira - (Wife of Edward Texeira)

Helen Epstein - (In the CP since 1930's; active during the 1940's in the progressives; political activities through the American Labor Party with Vito Marcantonio, having also been a candidate for office. Active trade unionist while working in men's clothing industry. Now retired, but still active among industrial workers).

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John Devine - (Active CP member among printers; shop steward
in his place of work; in the CP about 25 years)

Mrs. Devine - (Active in community activities, peace and civil
rights employment; in CP about 20 years)

The following Comrades are traveling for medical
checkup and a rest only. They will come via Holland and not
with the delegation.

Albert Lannon
Mrs. Alva Lannon (wife of Albert)

The delegation may leave on April 27th, and arrive
in Moscow on Friday, April 28th.

We are requesting visas for the above delegates to
be obtained in U.S.A.

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The informant carried on his person a number of documentary messages, the contents of which have been reported to the Bureau in two Chicago airtels dated 3/28/67.

(4) "The following are more drops - please let me know by radio if you approve:

- "DROP KATE: 'Harmilis Restaurant',
145 Washington Street (Cedar St.)
1:30 PM - Acknowledge 2:05 PM by
calling 269-9441
- "DROP MARY: P. Connally Bar, 431 Third Ave. (30th St.)
1:45 PM - Acknowledge 2:20 PM by calling
684-8366
- "DROP NELL: Mc Hales Gaiety Restaurant and Bar,
750 Eighth Ave. (46th St.)
1:30 PM - Acknowledge by calling 856-9386
at 2:05 PM
- "DROP PEG: Shields Tavern, 135 Greenwich St.
1:30 PM - Acknowledge 2:20 PM by calling
269-9440
- "DROP RITA: White Rose Bar, 504 Third Ave. (34th St.)
1:45 PM - Acknowledge 2:35 PM by calling
686-9541
- "DROP SARA: Peter Mc Manus, 152 Seventh Ave. (19th St.)
1:10 PM - Acknowledge 2:15 PM by calling
687-9615
- "DROP TESSIE: Donohues Bar, 450 Third Ave. (31st St.)
2:25 PM - Acknowledge 3:00 PM by calling
687-9502

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- "Drop UNA: Smith's Bar, 121 University Place (13th St.)
1:35 PM - Acknowledge 2:15 PM by calling
684-8365
- "DROP VALERY: Imperial Tavern, 540 Second Ave. (30th St.)
1:45 PM - Acknowledge 2:50 PM by
calling 684-8366
- "Drop WANDA: Lomar Restaurant, 171 Madison Ave (33rd St.)
2:05 PM - Acknowledge 3:05 PM by
calling 686-9541
- "DROP YETTA: Smith's Bar, 701 Eighth Ave. (44th St.)
1:50 PM - Acknowledge by calling
856-9386 at 2:35 PM
- "DROP ZORO: Domenick's Bar, 179 Lexington Ave. (32nd St.)
2:15 PM - Acknowledge 3:20 PM by calling
687-9487"

Also included among the aforesaid messages was a map of an area in Queens suggested by the informant as an additional place of contact with the Soviets. The Soviets will be requested to advise whether or not this area was suitable. The area described is bounded on the north by Northern Boulevard; on the east by Springfield Boulevard; on the south by Long Island Expressway, and on the west by Utopia Parkway.

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The following were notes made by CPUSA functionaries during the recent National Executive Board meeting of the CPUSA and were being submitted to the Soviets in message form for their information:

"G. - Comments on youth report (Some notes only)

"I feel good about the contents of the youth report. It should be mimeographed and distributed to the membership of the NC as our policy. But I do not agree that the CP leadership has neglected the fight for DuBois. However, it would appear that some of us are still not convinced of the need for a youth organization. We should remember that the YCL was liquidated because of revisionism in the CPUSA. This is related to the present weaknesses. It also has the same roots as the Chinese struggle. I think it would be good to have a survey of what the Party leadership has been doing to help to build DuBois. If 100 were surveyed, I would say that in the average district this is receiving 25% effort or less. And those who put in the least effort now say, 'You can't do it.' It is my feeling that we did not really try in most districts.

"The organization of the DuBois club was a historic happening in the US. It is an important contribution to the class struggle, the struggle for peace., etc. 90% of the youth in the CP now found their way into the Party through DuBois. The age gap in our Party is directly due to the liquidation of the Marxist youth organizations, like the YCL, the LYL, etc. Our weakness has been that when faced with difficulties we have said 'liquidate.' We must fight this weakness.

"As to the question of what is DuBois - DuBois is what we said it should be. It is a platform where youth can ponder problems of struggle, etc. You know that some of those youth who have come into the Party from DuBois would not have done so without it. Marxism and the class concept cannot be separated - the class nature of society brings it about. It arises from the class struggle as a needed instrument.

"Decisive question is do we need a youth organization. After that is decided, we can discuss other problems such as the program, the kind of structure, etc. Why are we having

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"difficulties building a youth organization? It is because we are plowing ideological soil. The youth have no experience and they have no class consciousness yet. The older workers are in constant struggle, even if it is not a Marxist struggle, and thus they have some experience. On the question of class consciousness - what is it? Is it rebelliousness, militancy, alienation from society, radicalism? These are not enough. The DuBois Club as a Marxist youth organization molds this class consciousness and this is where it is different than the SDS. On youth and its sense of isolation from the 'movement' - How do you resolve it? Liquidate? No! It can be resolved only through mass struggle. SDS is not a socialist organization. And Progressive Labor is just plain anarchism.

"* There were a few voices in DuBois and in S.F. that said liquidate - but they were very few -

"Mike Z. - Report on Youth (Some notes only)

"Among the leading issues among youth is the effect on youth of the war in Vietnam. This has resulted in many cuts in education. As a result of the influx of the war babies, there are not enough schools and colleges. This situation has been sharpened by the war so that now there is a real crisis in education. For the poor there are no training possibilities, no room in the schools and the tuition costs are too high. Among the youth, 14% are Negro, but 18% of the casualties in Vietnam are Negroes. Because of these factors, Negroes now comprise 22% of the armed forces.

"There are deep-rooted movements among the youth in opposition to the Vietnam war. This is true in the academic community, among the Young Democrats, with a split also among the adult Democrats, and within the student governments. This anti-war sentiment is growing and spreading. The anti-draft movement is growing. There are demonstrations against the war, demonstrations for no tuition in the colleges, etc. There has been a tremendous upsurge in the growth of CP clubs and the DuBois clubs.

"Then there has been the recent CIA disclosures of its ties with the National Students Association. The cry has now

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"been taken up that these ties must be severed. Demands are being made for a review of all the policies of the NSA, for the ousting of the trusts and corporations from the universities, for 'student power,' and for unity between Negro and whites, between the left and the liberals, etc.

"However, among youth the sharpest issue is the draft. There are 50 anti-draft committees in Harlem alone. The draft is a life and death question for youth. At the same time, sectarianism has become a problem. Some say that since we can't end the war, then we should therefore 'end the system.' There is a revolution among the left youth who are playing down the draft-fight as such as being too narrow. The old left is in better shape and is the unifying force. The anti-draft council is growing and at the same time the Party influence is growing.

"At the present time the DuBois Clubs are running into serious problems. It is hard to get a concrete picture of just what is the problem. In 15-20 areas DuBois exists as small groups. In some places there have been no meetings for 6 months. NY is the strongest base where there are 16 groups functioning. Even though there are some problems, DuBois is the strongest of all the groups on the left.

"What are the reasons for this? This movement has a student base and is weak in ideology. Some in the Party did not grasp the big meaning of the 'new left.' They underestimated the working class. Some said that in order for DuBois to be a success it must be separate from the Party, that is, be non-Party. Party forces did not struggle for ideology to repel the 'new left', the anti-Marxists. Some in the CP dismissed the 'new left' altogether. The DuBois clubs never developed a national program - some said that they needed a regional 'grass roots base' and after that develop a national program. But the regional clubs received no direction from the National Office of DuBois. The influence of the Students for a Democratic Society is evident in DuBois reflecting the SDS lack of confidence in the working class youth. They think that the only need to progress to socialism is a 'socialist core.' SDS takes no positions on daily needs. With this as a background we should see that the policy for DuBois should be to keep the door open to new left but at the same time keep its own organizational

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"ideology. DuBois should not be a United Front organization like the new left.

"In spite of all these weaknesses, DuBois grew. From a base of in N.Y. it has swelled to _____. Some of the initial summer projects by DuBois were 'utopian' community projects such as those in the summer of 1965. But in 1966 we really began to build DuBois. However a mood of pessimism set in when some of the national protests failed and the ghetto uprisings caused the concept that we should stress economic policy rather than foreign policy. As a result some of the local organizations were set adrift. Thus the initiative among the left was lost causing an inability to implement the national DuBois program. In the competition among socialist organizations, DuBois was also at a disadvantage because of the McCarran Act, the charge of being

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"a CP front, etc. So as a result, the young people chose other left organizations.

"Now it is necessary for DuBois to project a program aimed at the masses of youth, not merely at the activist youth. This must be a program on daily needs - jobs, Negro youth's rights, the war in Vietnam, etc. Even now we need a program on the draft. There is a need for this to be a multi-level struggle. There must be a call to the average youth, even those outside the left. The need is to build a united movement in order to win these struggles. In order to take advantage of the present upsurge we must get closer to the working class, not merely to project socialism but to place these demands in a working class context.

"I realize that it is difficult for DuBois to make this change. The movement must be based on the working class youth and the masses of students. There is a good deal of inexperience in the DuBois national office and this has led to many problems. There have been too many shifts and changes in the leadership. Right now there is an emergency situation. There are just not enough people working on a fulltime basis - there are only _____. The Party youth also have not developed the persistence necessary on the campuses to build DuBois groups. They are beaten by the argument that they already have SDS on the campus and therefore do not need DuBois also. This inability to build campus DuBois groups is due to a lack of understanding and to a lack of 'know-how.'

"The relations between the Party and DuBois are bad. These people are in many committees, are attending 8 to 9 meetings a week, are attending school or are working, etc., and this means a lot of work. The integration of youth into the Party is a real problem. We should go slow on this and keep the youth in their work. The Party must broaden its approach on campuses. Even though DuBois objects to the concept of a United Front organization, nevertheless it still aims at the militant left. In some cases, the CP clubs are doing better work and have been going around the DuBois clubs; this further weakens DuBois.

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"It would be wrong not to deal with these positive problems. These problems are deep and while decisions on these problems will help they will not automatically solve these problems. You should not get the impression that the DuBois clubs have been destroyed. DuBois is very resilient and won't die. There is still a significant number of youth who will join DuBois.

"1. There must be a new outlook on education to win youth to Marxism-Leninism and to the Party. The Party must struggle for its ideology inside DuBois in order to win the young people to us. Study circles must be formed to study Marxism, trends, etc. They should also study how to build DuBois itself.

"2. The Party should educate a corps of youth for work inside DuBois. It should train a cadre of 40 youths for this work. Unless this is done, we will be building our future in sand. There must also be such training locally.

"The Party youth cannot educate itself - the Party must set up classes of at least 7 days for local classes and at least 2 months nationally. There is no contradiction in the concept of broadening DuBois while at the same time deepening its content.

"Notes only

"On daily paper.

"We are here to discuss implementation of a decision made by our 18th Nat'l Convention to launch a daily paper. The situation which has developed since our convention has made it more opportune and will facilitate the establishment of such a daily. New features which have developed during this period include the development of a broad peace movement; further development of the Negro freedom movement; of a movement towards the development of independent political activity; the resurgence of rank and file in the TU movement; the radicalization of

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"American youth, and, finally but not least important, our breakthrough for legality as has been seen in the decision of the appellate courts on the McCarran Act. All of these are favorable trends and the launching of such a daily as we are considering would contribute to the stimulation of these developments.

"Today, capitalist newspapers are going bankrupt in a number of US cities. Considering this, you can see the magnitude of the tasks we are considering undertaking. It is our educated guess that the initial cost of establishing a daily of the nature we are considering would run in the vicinity of one million dollars just to start. We can make no false starts and have no such intentions at this time. We have been thinking in terms of creating a trust fund and in connection with this would attempt to reach a thousand people to commit them to give a thousand dollars apiece to reach the necessary initial starting cost. A close examination of the matter shows that it will cost approximately \$600,000 a year to operate this paper once it has been established. Once established, we do not have insurance that it will continue so we must guarantee to raise the \$600,000 needed for each year.

"Qualitative changes would be necessary in the creation of a daily so we could get more advertising revenue. We must remember also that a daily will require more work on our part. Our intention is to return to a Daily. We are in a new situation. The name for the new paper is still open. In considering such a paper, we must not turn it into an amorphous non-Party paper. It must be staffed and directed by our Party but not confined to a role of a Party organ. We must leave room for others from the emerging left, etc. While this paper would be the voice of our Party, it would also reflect the views of activities of other forces on the left. By this method, room would be left for cooperation between all left forces.

"The question as to whether this might be a five-day-a-week or six-day-a-week paper is yet unsettled. Consideration has been given to publishing an eight-page daily with a sixteen-page

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"week end edition including magazine section. It has been suggested that there be two editions, one which can be used on the East Coast and one for the Midwest and possibly the West.

"A question has also been raised regarding the Spanish page in the present Worker. We might continue this or perhaps even issue a special paper in Spanish.

"Our big problem is how to make a daily paper interesting to readers who might be outside of NY. Perhaps it might be possible to remake the front page of the paper being sent to those out of this area.

"The question of setting up of such a paper is no small task and would require no less than 25 editorial writers. At the present time we have no such staff and we have no experienced and competent cadre from which we might draw to form such a staff. We will have to add to those who are presently connected with the paper. We will also need more local correspondents. At the present time there are correspondents in Washington, Detroit, and Chicago. Now, we are considering additional correspondents in Cleveland, the South, and New England plus a corps of volunteer correspondents throughout the country.

"In formulating our plans, we will lay stress on building an adequate distribution apparatus. Without question, most of the circulation will be by mail--subs. But we will need much more distribution through newsstands and bundle subs. We must also, if we are to have a daily make full use of available commercial outlets.

"What we do today with the present paper will show that we mean business in connection with our plans for the new daily. It is not just a matter of adopting a resolution, such resolution must be implemented.

"In connection with advertising, we have not tapped presently available sources. This must be done if we are to have a successful newspaper.

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"Motions

"NEB approve launching of a daily paper and that such paper, while expressing the views of our Party and setting forth expression of Party policy, should not be merely a Party organ.

"Extend present circulation drive in connection with the Worker to increase existing subs by 3,000, 6/15, so that decks might be clear for a big subscription and fund drive for proposed new daily paper.

"All districts submit nominees and applicants who might work on staff of new daily paper.

"Hold national conference after completion of current circulation drive to launch program for new paper."

There was also included among the messages above mentioned a series of documents of ^{basic} ~~basie~~ nature reflecting the requirements for obtaining a U.S.A. passport.

ROUTE IN ENVELOPE

Date: 3/28/67

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL REGISTERED MAIL
(Priority)

TO : DIRECTOR, FBI (100-428091)

FROM: SAC, CHICAGO (134-46 Sub B)

SOLO
IS-C

ReCGairtel dated 2/9/67 and enclosed LHM entitled "Seventh Congress of the Socialist Unity Party of Germany, April 17-22, 1967."

ReLHM noted that the CP, USA had been invited by the Socialist Unity Party of Germany (SUPG) to send two fraternal delegates, with all expenses paid, to the Seventh Congress of the SUPG to be held in Berlin, German Democratic Republic. It further noted that as of 1/67 GUS HALL, General Secretary, CP, USA, had designated HYMAN LUMER as one of these fraternal delegates.

In mid-3/67 HALL instructed CG 5824-S* to advise the SUPG that the second fraternal delegate selected by the CP, USA to attend the Seventh Congress of the SUPG would be DOROTHY HEALEY, Chairman, Southern California District of the Party. At the same time, HALL advised that he had authorized LUMER's wife DOROTHY to accompany her husband to the German Democratic Republic but that the SUPG would not be expected to pay the expenses of her travel.

In line with the foregoing, CG 5824-S* prepared a one-page document addressed to the "Central Committee, Socialist Unity Party of Germany," dated 3/29/67 and signed in the name of the National Committee, CP, USA. This item

5-904 94D
3-Bureau (Enc. 1) (RM)
1-New York (100-134637) (Enc. 1) (Info) (RM)
1-Chicago
RWH:MDW
(5)

REC 48

EX-113

6 APR 6 1967

Approved: 55 MDW
65 APR 10 1967 Special Agent in Charge

Sent _____ M Per _____

CG 134-46 Sub B

will be provided to NY 694-S* who will carry it with him, if he deems it advisable, and deliver it to the representative of the SUPG assigned to the "World Marxist Review" in Prague, Czechoslovakia.

Enclosed herewith for the Bureau and New York is one Xerox copy each of the above-described document.

ENCLOSURE TO BUREAU FROM CHICAGO

1 Xerox copy of document addressed to
"CC, SUPG," dtd 3/29/67, signed NC, CPUSA

RE: SOLO
IS-C

Bufile 100-428091
CGfile 134-46 Sub B

Transmitted via CGairtel to Bureau 3/28/67



100-428091-6178

FILED

COMMUNIST PARTY, U. S. A.

23 WEST 26th STREET • NEW YORK 10, N. Y. • MU. 5-5755

March 29, 1967

Central Committee
Socialist Unity Party of Germany

Dear Comrades:

Greetings!

This is to inform you that in addition to Comrade Lumer we are sending Comrade Dorothy Healey, a member of our National Executive and National Committee, leader of our Party in Southern California, as the second fraternal delegate to your Seventh Congress. You have already received notification regarding Comrade Lumer. This is only to inform you that Comrade Healey will accompany him representing the Communist Party, U.S.A.

I also want to tell you that Comrade Lumer will be accompanied by his wife, Dorothy. As per our discussion, we do not expect you to assume responsibility for Comrade Mrs. Lumer's transportation. You will receive more details later regarding their route and time of arrival.

Warm fraternal greetings,

National Committee
Communist Party, U.S.A.

ROUTE IN ENVELOPE

UNITED STATES GOVERNMENT

Memorandum

TO : Mr. Conrad

FROM : C. F. Downing

DATE: April 3, 1967

SUBJECT: SOLO
INTERNAL SECURITY - C

Tolson _____
DeLoach _____
Mohr _____
Wick _____
Casper _____
Callahan _____
Conrad _____
Felt _____
Gale _____
Rosen _____
Sullivan _____
Tavel _____
Trotter _____
Tele. Room _____
Holmes _____
Gandy _____

Captioned case involves the Bureau's highly valuable confidential informant NY694-S* who has been receiving communications transmitted to him by radio.

On 4/3/67, transmissions were heard by the Bureau's radio station at Midland at which time a message, NR 174 GR 50, was intercepted.

The plain text and cipher text are attached.

The New York Office is aware of the contents.

ACTION:

For information.

Enclosure

- 1 - Mr. Conrad
- 2 - Mr. Sullivan (Attn.: Mr. J. A. Sizoo, Mr. R. C. Putnam)
- 1 - Mr. Downing
- 1 - Mr. Newpher
- 1 - Mr. Paddock

HS:cca
(7)

EX-113
REC 48

100-428091-6179

6 APR 6 1967

55
65 APR 10 1967

NR 0174 GR 050

04/03/67

4/3/67

83929 87472 97771 49356 77941 91324 12346 59657 31081 70977
59792 58745 61813 65249 16556 55555 02408 75521 30025 56655
21185 84629 69308 11460 42795 50024 52369 48304 26419 58090
99834 70209 47667 86064 26116 23964 96601 88406 43434 12717
43640 36684 87075 61321 45994 05313 49973 15685 60039 63123

NR 0174 GR 050

04/03/67

FOR BIRCH. PLEASE CLARIFY YOUR ATTITUDE TO POSSIBLE DISCUS
SION ^{BY} ~~BY~~ SENIN PRIZE COMMITTEE OF CANDIDACY ^F ~~OF~~ AMERICAN PAIN
TER ROCKWELL ~~ROCKWELL~~ KENT ~~KENT~~ FOR LEY ^{NI} ~~IN~~ PEACE PRIZE #1966#
.-SSSSS

100-428091-6179

100-428091-6179

UNITED STATES GOVERNMENT

Memorandum

TO: DIRECTOR, FBI (100-428091)

FROM: SAC, NEW YORK (100-134627-Sub A)

SUBJECT: SOLO
IS - C

DATE: 4/4/67

Remylet, 3/2/67.

Debits

3/10/67	to CG 5824-S* for GUS HALL. Of this amount approximately one half is to be put in the "Daily Worker Trust Fund". The remainder was for other CP expenses.	\$5,000.00
3/15/67	To CG 5824-S* for HELEN WINTER and GUS HALL. (\$50,000.00 given to WINTER for CP National Expenses. This amount was given to her on 3/16/67).	\$70,000.00
3/16/67	to CG 5824-S* for GUS HALL. (This above amount, plus \$20,000.00 withdrawn on 3/15/67, was given to HALL on this date, making a total of \$55,000.00. This money was to be used for "The Worker", "Daily Worker Trust Fund", CP Youth Activities and other areas of CP concentration).	\$35,000.00

Balance On hand as of 2/28/67	Total:	\$110,000.00
Less Debits		954,367.03
		110,000.00

On hand As of 3/31/67 *REC 46 100-428091-1844357.03*

1-704 94D ST 104

(2) - Bureau (RM)

1 - Chicago (134-46-Sub F) (RM)

1 - New York (134-91) (INV) (41)

1 - New York (100-128861-Sub B) (CP, USA-RESERVE FUND) (41)

1 - New York

JFL:rmp



APR 11 1967

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

INT. SEC. RM.
SPEC. MAIL RM.

NY 100-134637-Sub A

LOCATION OF SOLO FUNDS - NEW YORK TERRITORY

Maintained by NY 694-S*

Safety-deposit box Chemical Bank - New York Trust Company, 67 Broad Street, New York, New York	\$110,000.00
--	--------------

Jack Brooks Regular Checking
Account at Chemical Bank - New
York Trust Company, 20 Pine
Street, New York, New York.

Account No. 1 (001-228919)	\$28,317.03
Account No. 2 (001-232835)	32,345.92
Account No. 3 (001-237942)	49,204.08

NY 694-S* Personal Checking Account, Chemical Bank - New York Trust Company, 67 Broad Street, New York, New York.	\$4,000.00
--	------------

Maintained by NYC - FBI

Safety-deposit boxes, Manufacturers Hanover Trust Company, 69th Street and Third Avenue, New York, New York.	\$620,500.00
---	--------------

Total:	\$844,367.03
--------	--------------

F B I

Date: 4/4/67

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL _____
(Priority)

TO: DIRECTOR, FBI (100-428091)

FROM: SAC, NEW YORK (100-134637)

SUBJECT: SOLO
IS-C

5- Puto

On 4/3/67, there was received from the Soviets, via radio, a ciphered-partially coded message, contents of which is as follows:

"April 3, 1967

"For GUS HALL. Please clarify your attitude to possible discussion by Lenin Prize Committee of candidacy of American painter ROCKWELL KENT for Lenin Peace Prize 1966".

In view of NY 694-S* having left the USA before the above message was received, the NYO telephonically requested that Chicago Office consult CG 5824-S* regarding what disposition should be made of the message.

CG 5824-S* stated that, under the circumstances, the message must be ignored, on the theory that there was no authorized competent person available to receive it. He assumes that when the Soviets learn from NY 694-S* that the message could not have been received, they will send it to

3 - Bureau (100-428091) (RM)
1 - Chicago (134-46-SUB B) (AM RM)
1 - NY 134-91 (INV) (41)
1 - NY 100-134637 (41)

ACB:gmd
(7)

REC 46 100-428091-6181
EX-114

APR 7 1967

SPEC. MAIL RM.

Approved: _____ Sent _____ M Per _____

65 APR 10 1967 Special Agent in Charge

NY 100-134637

HALL again through another Soviet channel. CG 5824-S* believes that this incident will impress upon the Soviets the necessity of their expediting the authorization of NY 4309-S* to become active in the SOLO apparatus.

UNITED STATES

ENT

Memorandum

ROUTE

CPE

TO

DIRECTOR, FBI (100-428091)

DATE: 4/4/67

FROM

SAC, CHICAGO (134-46 Sub B)

SUBJECT:

SOLO
IS-C

During the past few weeks, contacts of CG 5824-S* who work at the headquarters of the "World Marxist Review," aka "Problems of Peace and Socialism," the official theoretical organ of the international communist movement, Prague, Czechoslovakia, have been sending to the source copies of a number of pamphlets and publications issued by the "World Marxist Review" during the past several years. This material was being furnished to the source so that he could turn it over to the CP, USA in order that the Party here might have a complete library of "World Marxist Review" material. The material being received by CG 5824-S* is being sent by the "World Marxist Review" to the "JOHN SHOULDERS" mail drop in Chicago which is utilized solely by CG 5824-S*. In a number of instances several copies of the pamphlets are being received by the source and since they may be of some value to the Bureau, the extra copies are being forwarded to the Bureau.

Enclosed herewith for the Bureau are four such items which are described as follows:

- 1) 30-page pamphlet entitled, "Peace, Freedom and You," published by Peace and Socialism, an arm of the "World Marxist Review," Prague, 1963, authored by KIELD OESTERLING and NORMAN FREED, CP of Canada representative.
- 2) 32-page pamphlet entitled, "What The Communists Stand For," published by Peace and Socialism, Prague, 1965, authored by B. N. LEIBZON.
- 3) 39-page pamphlet entitled, "The Menace of Apartheid," published by Peace and Socialism, Prague, 1965, authored by SOL DUBULA.
- 4) 65-page pamphlet in the Spanish language entitled, "Triun Fa Re Mos Partido Comunista Dominicano," Editorial Paz Y Socialismo, Praga, 1966.

2-Bureau (Enc. 4) (RM)
1-Chicago

APR 11 1967

5 APR 7 1967

INT 814

UNITED STATES GOVERNMENT

Memorandum

ROUTE IN ENVELOPE

TO : DIRECTOR, FBI (100-428091)

DATE: APR 4 1967

FROM : SAC, CHICAGO (134-46 Sub B)

SUBJECT:

SOLO
IS-C

ReCGairtel dated November 4, 1966, and enclosed informant's statement captioned, "Summary of Information Concerning Visit of Gus Hall, General Secretary, Communist Party, USA and Communist Party, USA Delegation to USSR and Finland, August 17 Through September 5, 1966," and CGairtel dated October 27, 1966, and enclosed informant's statement captioned, "Summary of Information Concerning Activities of Gus Hall, General Secretary, Communist Party, USA and Communist Party, USA Delegation During Visit to USSR, September 24-30, 1966."

During the visit of GUS HALL and the Communist Party, USA (CP, USA) Delegation to the Soviet Union noted in the above referenced informant's statements, HALL and the delegation visited a number of locations throughout the country. The activities of HALL and the delegation were recorded in photographs taken by representatives of the Communist Party of the Soviet Union (CPSU) or the Soviet press. When HALL and the delegation departed the country, copies of these photographs were supplied to CG 5824-S* to bring back to the United States and provide to HALL as a record of his visit. However, prior to providing these photographs to HALL, CG 5824-S* made them available to the Chicago Office and copies were made thereof.

One set of these photographs, numbering 34, is enclosed herewith for the Bureau and one set, including negatives, is being retained by the Chicago Office.

In regard to the enclosed photographs, the Chicago Office desires to point out that utmost caution must be used in connection with any possible contemplated utilization thereof since only CG 5824-S* and GUS HALL are known, as of the present time, to possess them. None of the enclosed photographs are known to have appeared in any type of public source material either in the U.S. or abroad and, therefore, a disclosure of the possession of these photographs could seriously jeopardize the informant.

2-Bureau (Enc. 34) (RM)

1-Chicago 1-90

RWH:MDW

APR 11 1967

REC 46

APR 7 1967

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

CG 134-46 Sub B

For purposes of identification, the enclosed photographs have been numbered on the reversed side. The identification of individuals appearing in these photographs, made by CG 5824-S*, is as follows:

Photograph #1 - Visit to 22nd Congress of the CPSU Metallurgical Plant, Leningrad, USSR (among other things, this plant manufactures heavy duty turbines)

Left to right, walking, front row

(FNU)(LNU), Secretary of Leningrad OBKOM, CPSU

(FNU)(LNU), Secretary of Leningrad OBKOM, CPSU

GUS HALL

(FNU)(LNU)

Left to right, walking, rear row

(FNU)(LNU)

MANUEL POUSADA (individual with glasses and directly behind HALL's right shoulder)

EUGENE (LNU), translator from International Department, Central Committee, CPSU (individual directly behind HALL's right shoulder)

Photograph #2 - at 22nd Congress, CPSU, Metallurgical Plant, Leningrad, USSR, HALL addressing plant workers

Left to right

ARNOLD JOHNSON

(FNU)(LNU), Secretary, Leningrad OBKOM, CPSU

GUS HALL

CG 134-46 Sub B

Photograph #3 - at 22nd Congress, CPSU,
Metallurgical Plant, Leningrad, USSR

Left to right

EUGENE (LNU), translator

GUS HALL (displaying gift of a piece of
stainless steel presented to him as a
memento of visit to plant)

Photograph #4 - at 22nd Congress, CPSU,
Metallurgical Plant, Leningrad, USSR

Left to right

EUGENE (LNU), translator

GUS HALL (signing guest book at plant)

Photographs #5 and #6 - at 22nd Congress,
CPSU, Metallurgical Plant, Leningrad, USSR,
and tour of plant

Left to right

(FNU)(LNU), plant worker

EUGENE (LNU), translator

GUS HALL

(FNU)(LNU), plant representative

Photograph #7 - at 22nd Congress, CPSU,
Metallurgical Plant, Leningrad, USSR,
HALL inspecting giant turbine

Left to right

EUGENE (LNU), translator

GUS HALL

(FNU)(LNU), plant official

CG 134-46 Sub B

Photograph #8 - Statue of Peter I The Great (1672-1725), Leningrad, USSR

Left to right

GUS HALL

ARNOLD JOHNSON

(FNU) (LNU), Secretary, Leningrad OBKOM,
CPSU

(FNU) (LNU), Secretary, Leningrad OBKOM,
CPSU

Photograph #9 - Laying wreath on Motherland Monument at Piskarev Memorial Cemetery, Leningrad, USSR, site of mass grave of those individuals who died during the battle of Leningrad, World War II

Left to right

(FNU) (LNU)

ARNOLD JOHNSON

(FNU) (LNU), Secretary, Leningrad OBKOM,
CPSU

GUS HALL

(FNU) (LNU), Secretary, Leningrad OBKOM,
CPSU

Photograph #10 - Lenin's Office at Smolny Monastery, now regional and city headquarters of Leningrad OBKOM and GROKOM, CPSU

Left to right

EUGENE (LNU), translator

(FNU) (LNU), guide

GUS HALL

CG 134-46 Sub B

Photograph #11 - Visit to Kuzmin Metalworking
Plant and Rolling Mill, Novosibirsk, Siberia

Left to right

(FNU)(LNU), Director of plant

EUGENE (LNU), translator

MANUEL POUSADA

GUS HALL

ARNOLD JOHNSON

Photograph #12 - Visit to Kuzmin Metalworking
Plant and Rolling Mill, Novosibirsk, Siberia

Left to right

(FNU)(LNU), Director of plant

GUS HALL

EUGENE (LNU), translator

Photograph #13 - Tour of Kuzmin Metalworking
Plant and Rolling Mill, Novosibirsk, Siberia

Left to right

GUS HALL

(FNU)(LNU), Director of plant

Photograph #14 - Tour of Kuzmin Metalworking
Plant and Rolling Mill, Novosibirsk, Siberia

Left to right

(FNU)(LNU), plant worker

EUGENE (LNU), translator

GUS HALL

(FNU)(LNU), plant director

N. K. DYBENKO, Secretary, Novosibirsk
OBKOM, CPSU

CG 134-46 Sub B

Photograph #15 - Tour of Kuzmin Metalworking
Plant and Rolling Mill, Novosibirsk, Siberia

Left to right

EUGENE (LNU), translator

N. K. DYBENKO, Secretary, Novosibirsk
OBKOM, CPSU

(FNU) (LNU), plant director

GUS HALL

ELIZABETH HALL

Photograph #16 - Tour of Kuzmin Metalworking
Plant and Rolling Mill, Novosibirsk, Siberia

(FNU) (LNU), plant director (shaking hands
with HALL)

EUGENE (LNU), translator (standing in rear)

Photograph #17 - Visit to Efremova Factory,
Novosibirsk, Siberia, manufacturers of heavy
machines and metalworking of other products
(one major product produced at this location
is hydraulic presses)

Left to right

N. K. DYBENKO

(FNU) (LNU)

GUS HALL

EUGENE (LNU), translator

IVAN PAVLOVICH KUTUZOV, Secretary of
factory committee, CPSU

Photograph #18 - Visit to Efremova Factory,
Novosibirsk, Siberia

Left to right

N. K. DYBENKO

IVAN PAVLOVICH KUTUZOV

CG 134-46 Sub B.

MANUEL POUSADA

EUGENE (LNU), translator

ARNOLD JOHNSON (partially obscured)

GUS HALL

ELIZABETH HALL

Photograph #19 - Visit to Efremova Factory,
Novosibirsk, Siberia

Identification same as #18

Photographs #20, #21, #22, #23 - GUS HALL
addressing workers at Efremova Factory,
Novosibirsk, Siberia

Individuals appearing on speaker's platform,
photographs #20 and #23 as follows:

Left to right

(FNU)(LNU), plant representative

ARNOLD JOHNSON

MANUEL POUSADA

GUS HALL

EUGENE (LNU), translator

IVAN PAVLOVICH KUTUZOV

Photograph #24 - Visit to Efremova Factory,
Novosibirsk, Siberia

Left to right

N. K. DYBENKO

EUGENE (LNU), translator

GUS HALL

IVAN PAVLOVICH KUTUZOV

CG 134-46 Sub B

Photograph #25 - Visit to Efremova Factory,
Novosibirsk, Siberia

Left to right

EUGENE (LNU), translator

GUS HALL

ELIZABETH HALL

IVAN PAVLOVICH KUTUZOV (back to
camera)

N. K. DYBENKO

Photograph #26, Visit to USSR Academy of
Science, Siberian Division, Novosibirsk,
Siberia

Left to right

ELIZABETH HALL

EUGENE (LNU), translator

GUS HALL

(FNU) (LNU), Secretary of Novosibirsk
OBKOM, CPSU

Photographs #27, #28 - Visit to USSR Academy
of Science, Siberian Division, Novosibirsk,
Siberia

Left to right

GUS HALL

EUGENE (LNU), translator

(FNU) (LNU), Deputy Head of Siberian Division,
USSR Academy of Science, in charge of Geological
Department

Academician (FNU) LAURENTYEV, Director of Siberian
Division, USSR Academy of Science

CG 134-46 Sub B

Photograph #29 - Visit to USSR Academy of
Science, Siberian Division, Novosibirsk,
Siberia

(FNU) (LNU), Deputy Director

Academician (FNU) LAURENTYEV

EUGENE (LNU), translator (back to camera)

MANUEL POUSADA

GUS HALL

Photograph #30 - Visit to USSR Academy of
Science, Siberian Division, Novosibirsk,
Siberia

Left to right

ELIZABETH HALL

EUGENE (LNU), translator

GUS HALL

(FNU) (LNU), Deputy Director, USSR Academy
of Science, Siberian Division

Photograph #31 - Visit to USSR Academy of
Science, Siberian Division, Novosibirsk,
Siberia, and HALL signing Academy guest
book

Photograph #32 - Departing from USSR Academy of
Science, Siberian Division, Novosibirsk, Siberia

Left to right

ARNOLD JOHNSON

(FNU) (LNU)

EUGENE (LNU), translator

ELIZABETH HALL

CG 5824-S* (far rear)

CG 134-46 Sub B

GUS HALL

MANUEL POUSADA

(FNU) (LNU), Secretary of Novosibirsk OBKOM,
CPSU, and head of Ideological and Cultural
Department, CPSU

Photograph #33 - Meeting in auditorium of
Institute of International Workers Movement,
Moscow, USSR, first formal speech being
delivered by HALL at Institute

Left to right, at speaker's table

ARNOLD JOHNSON

TIMUR TIMOFEEV, Director of Institute

ALEXEI RUMYANTSEV, former Editor-in-Chief
of "World Marxist Review" and now a leading
representative in the USSR Academy of Science,
Moscow

GUS HALL

EUGENE (LNU), translator

GEORGE MORRIS, CP, USA member

NIKOLAI V. MOSTOVETS, head of the North
and South American Section, International
Department, Central Committee, CPSU

Photograph #34 - Institute of International Workers
Movement, Moscow, USSR

HALL speaking to assembled audience

ENCLOSURES (34) TO BUREAU FROM CHICAGO

34 photographs of HALL's visit to SU

RE: SOLO
IS-C

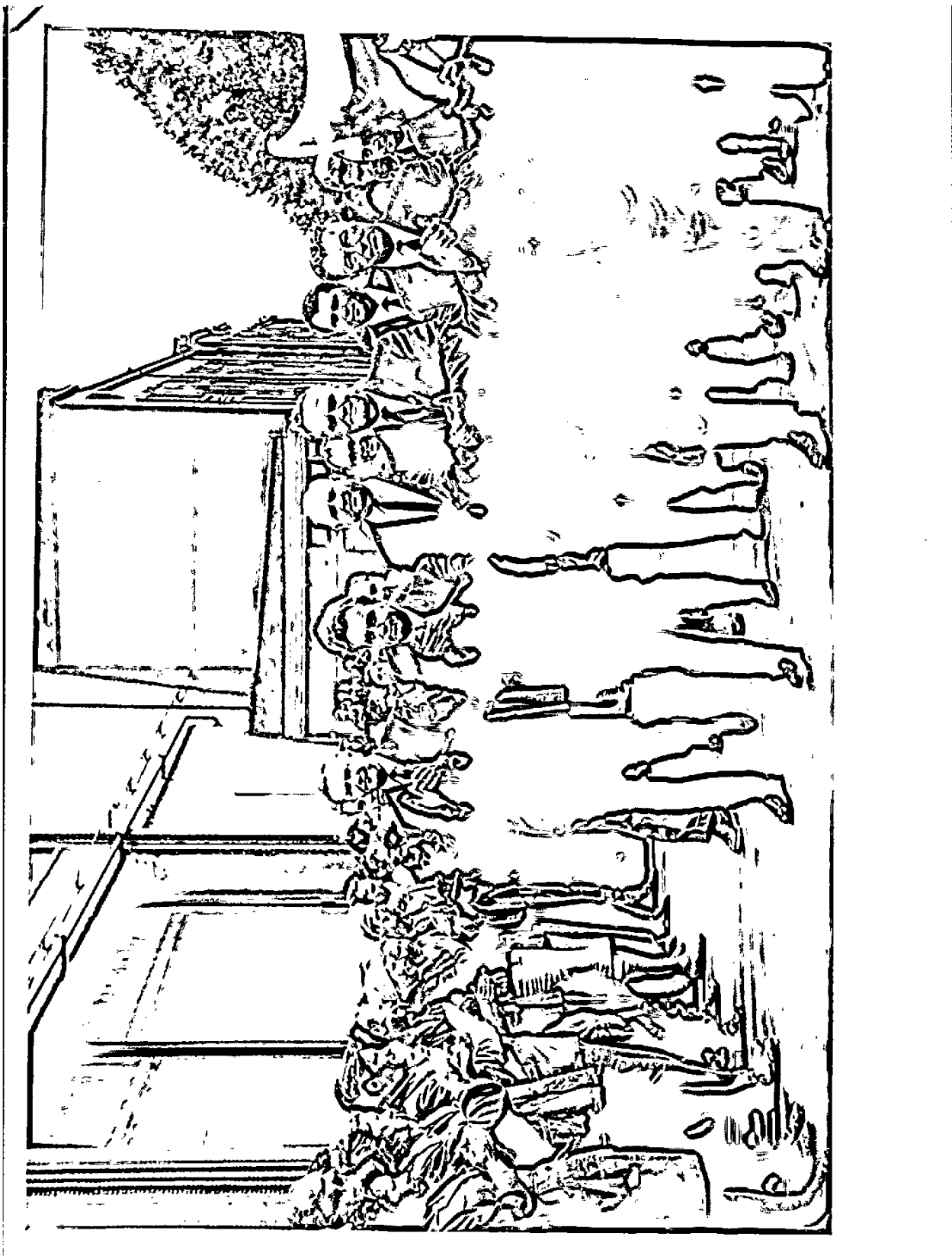
Bufile 100-428091
CGfile 134-46 Sub B

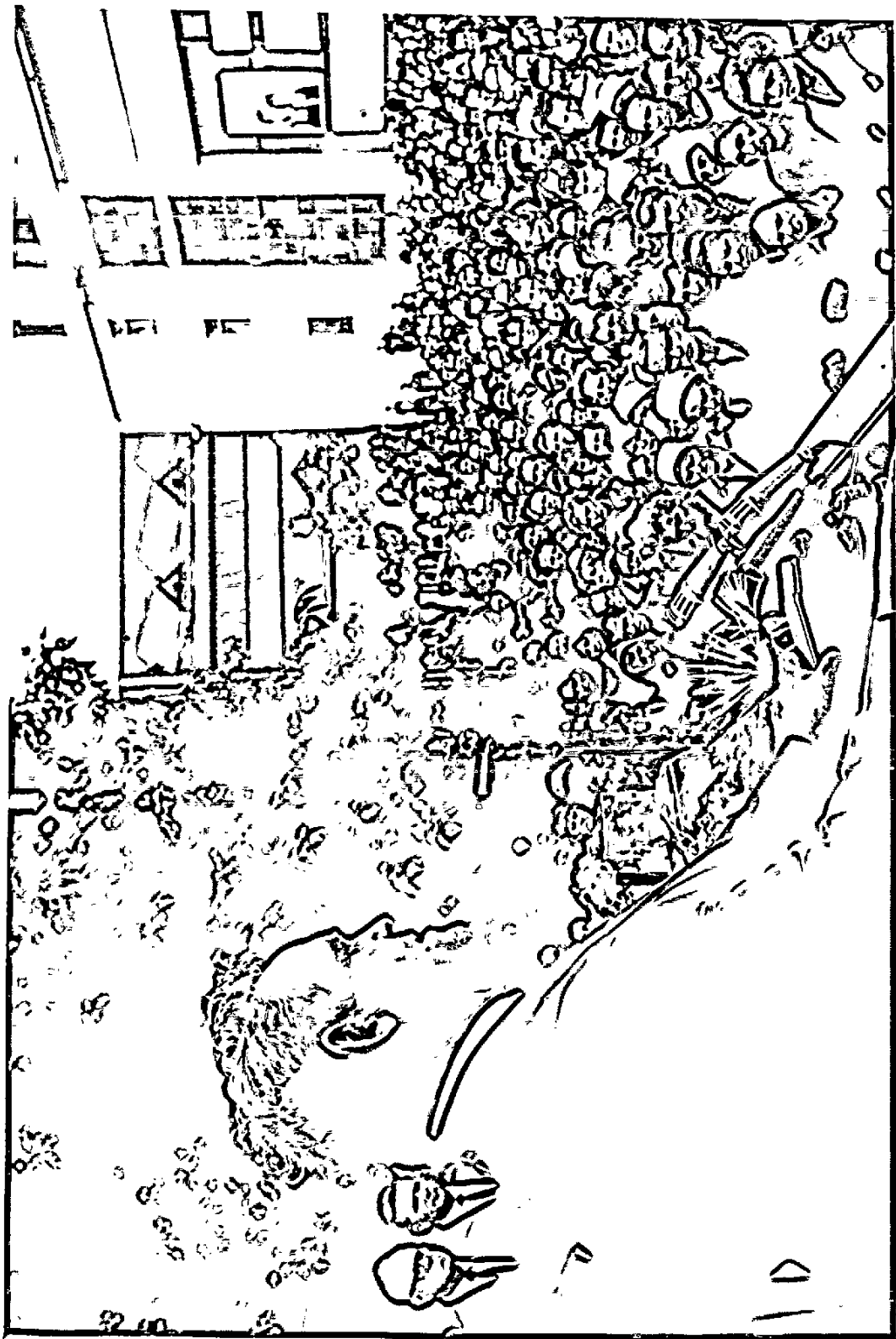
Transmitted via CGlet to Bureau 4/4/67

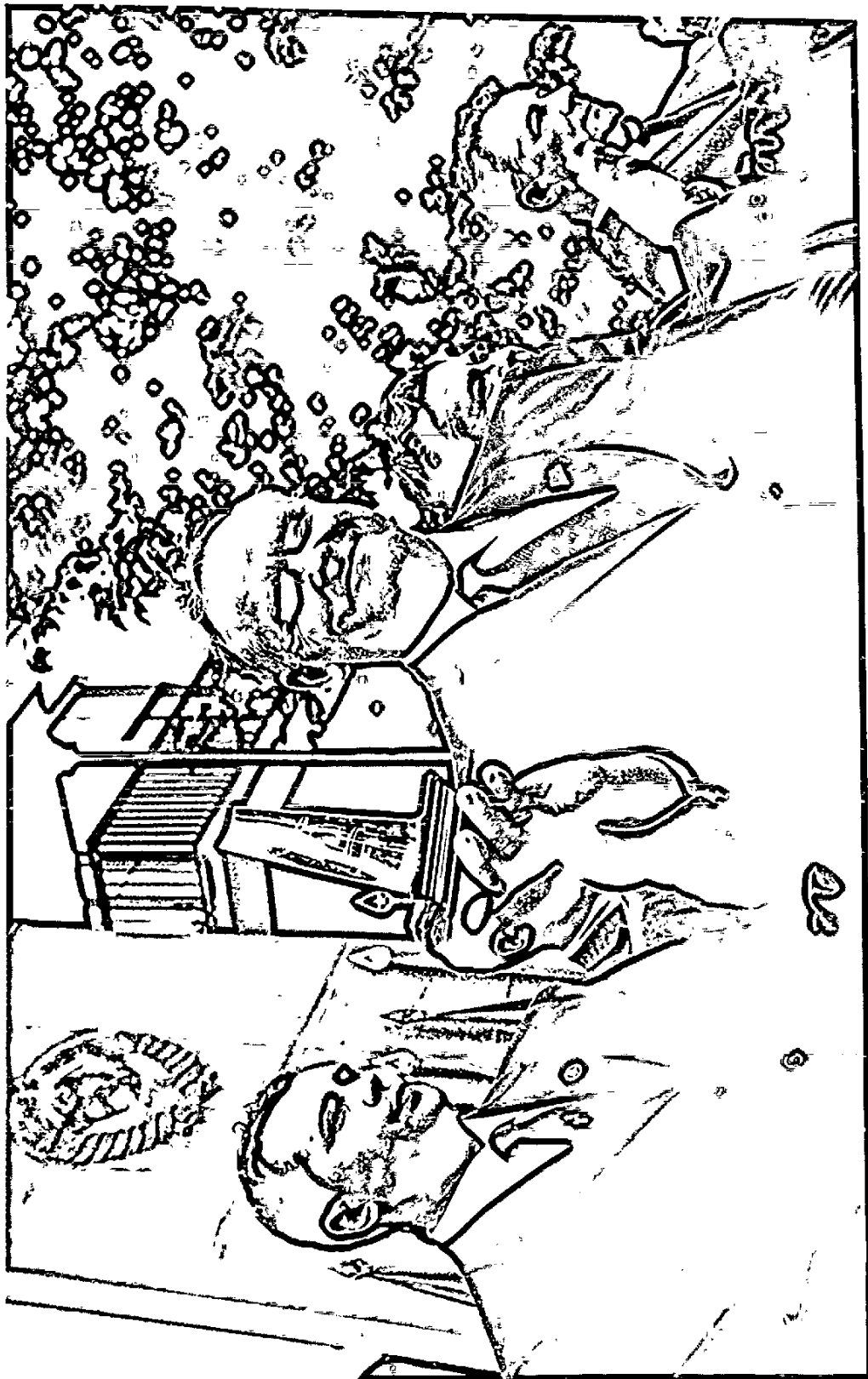


100-428091-6/83

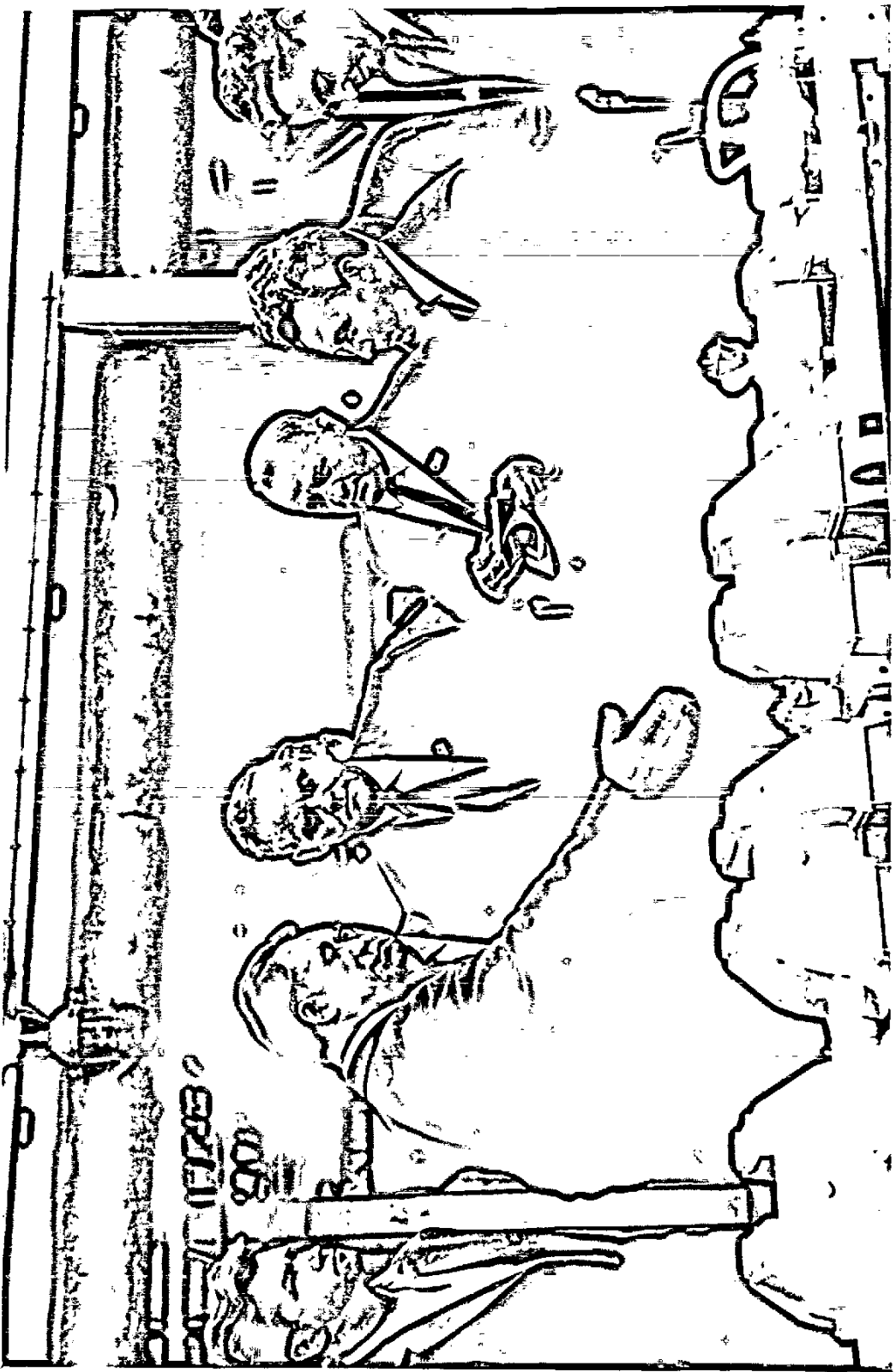
ENCLOSURE

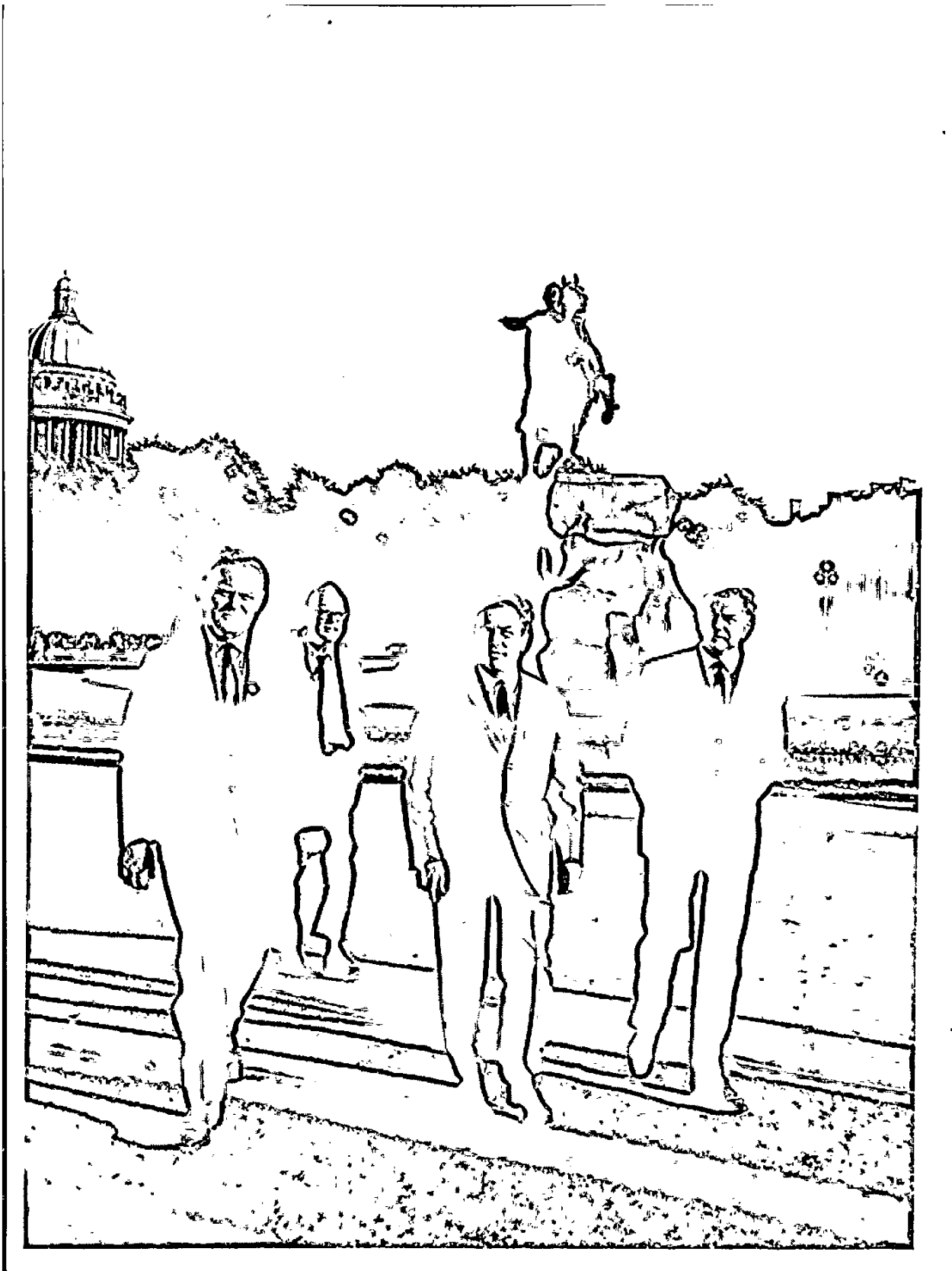




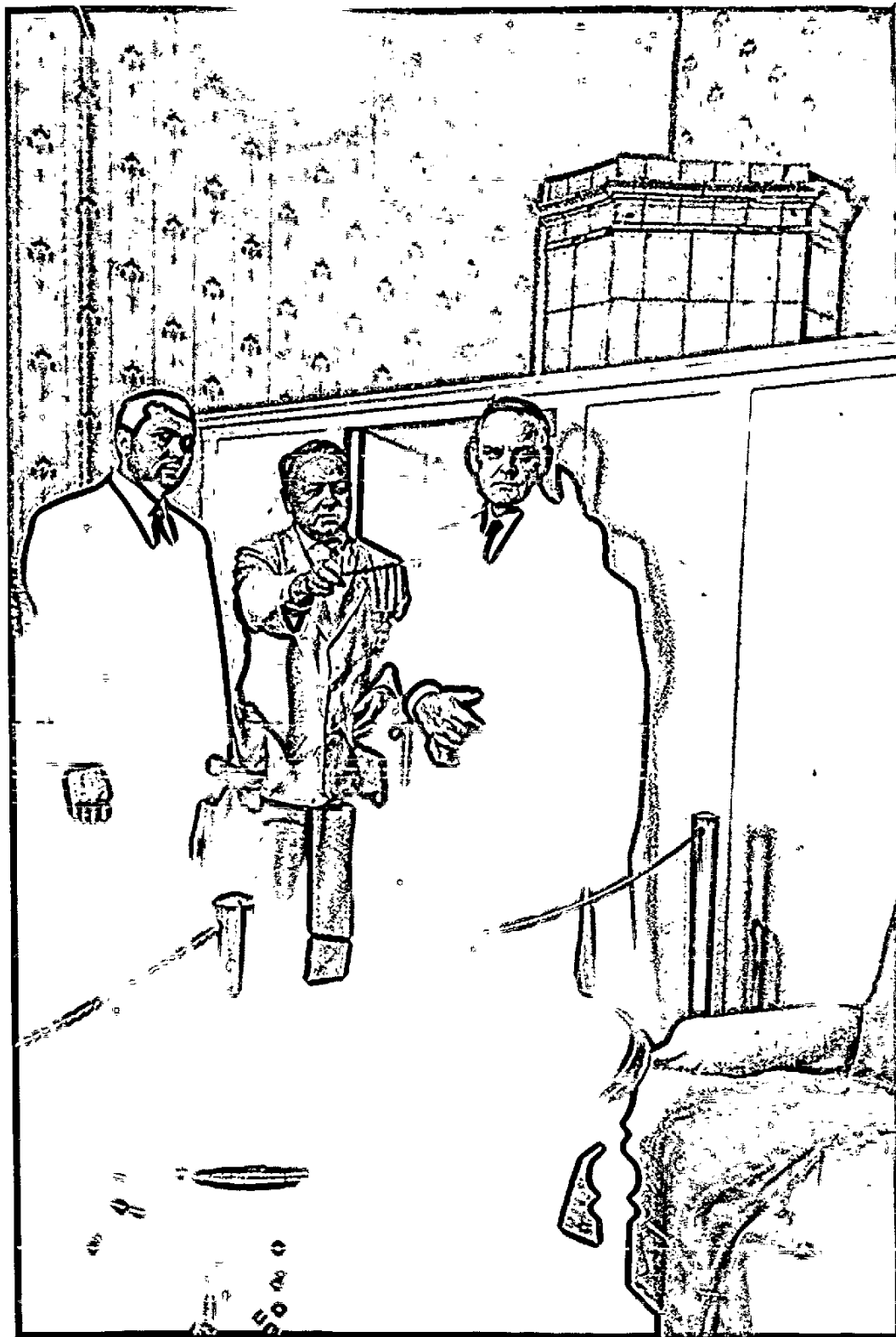


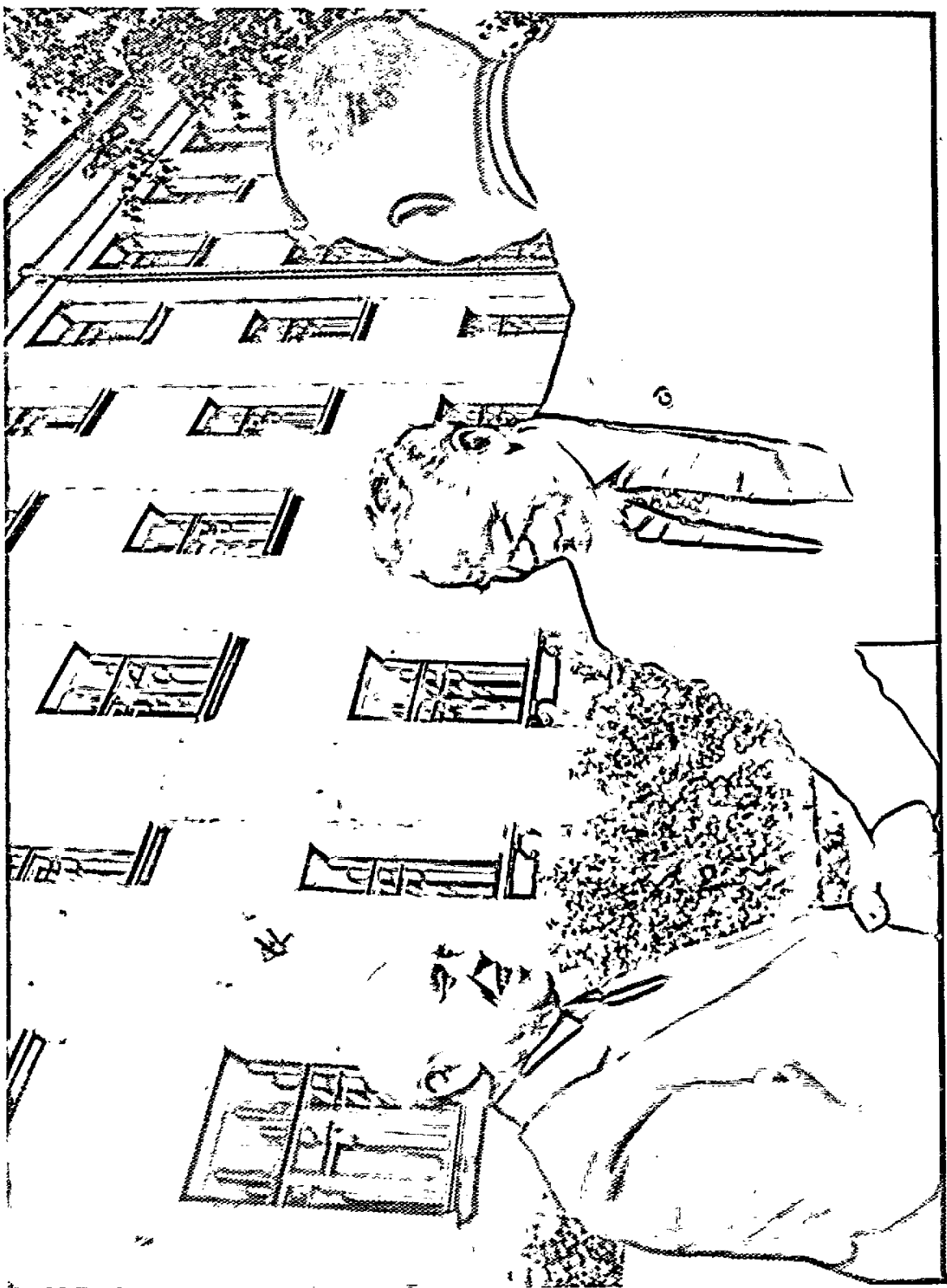


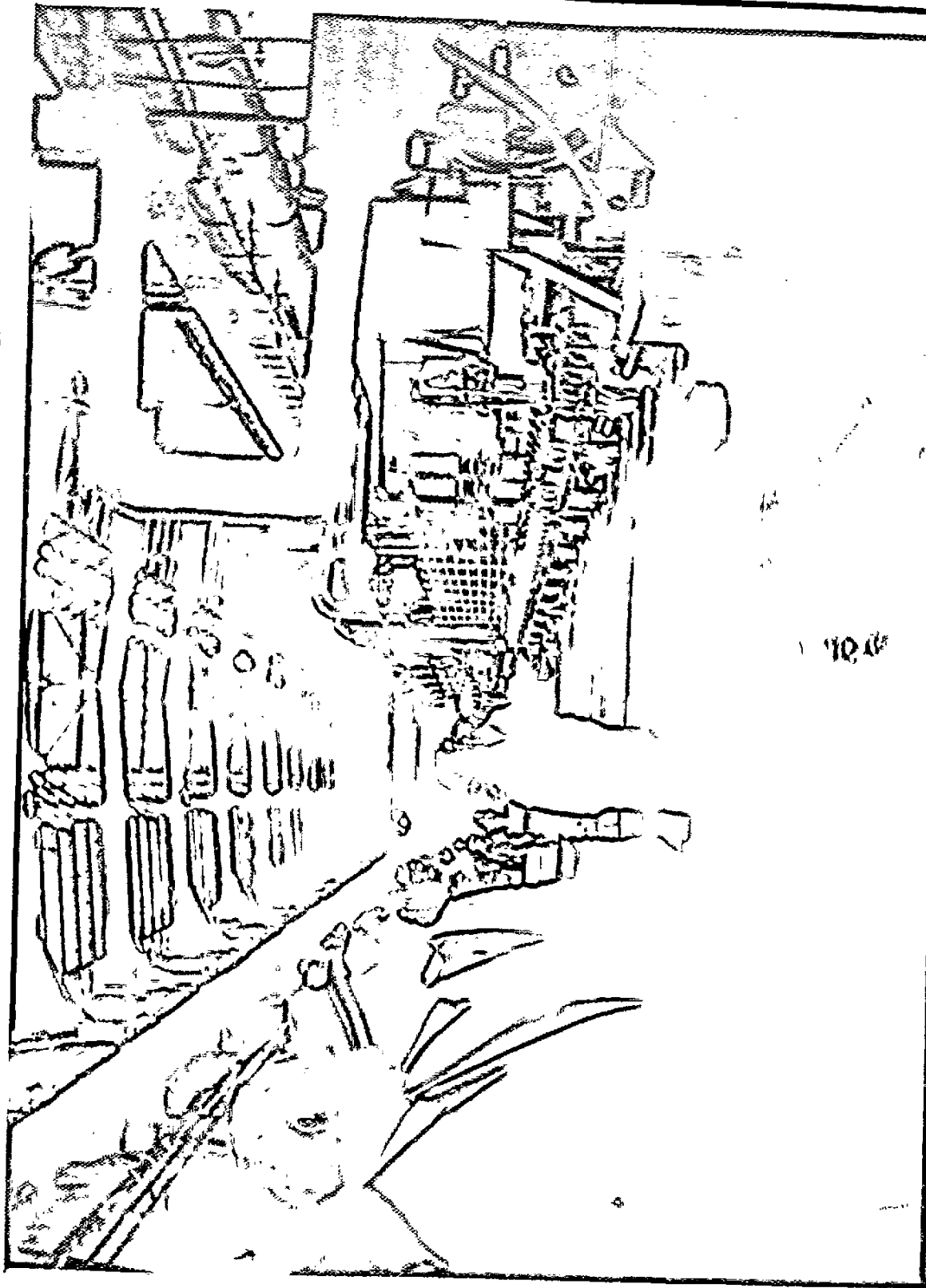


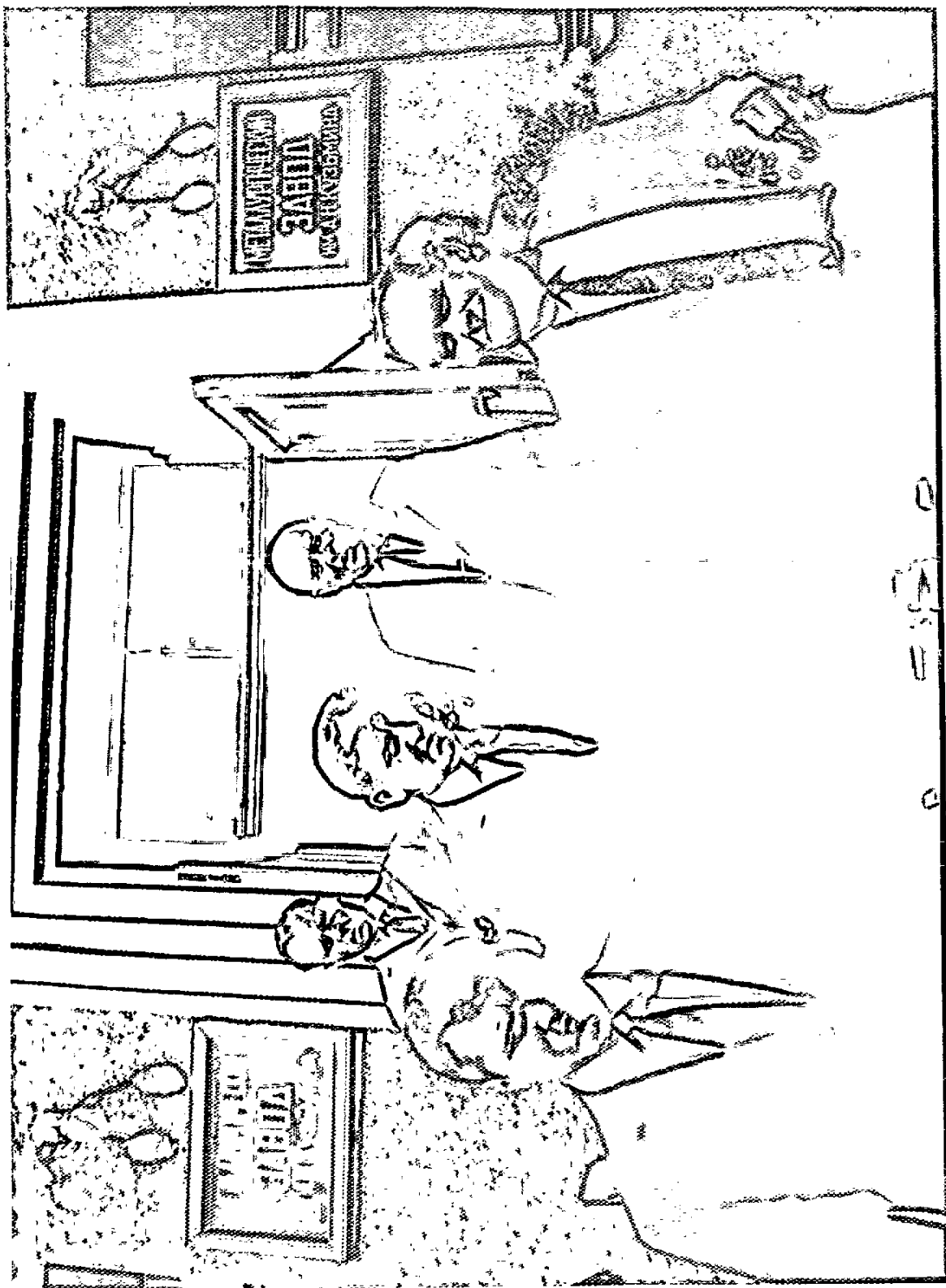


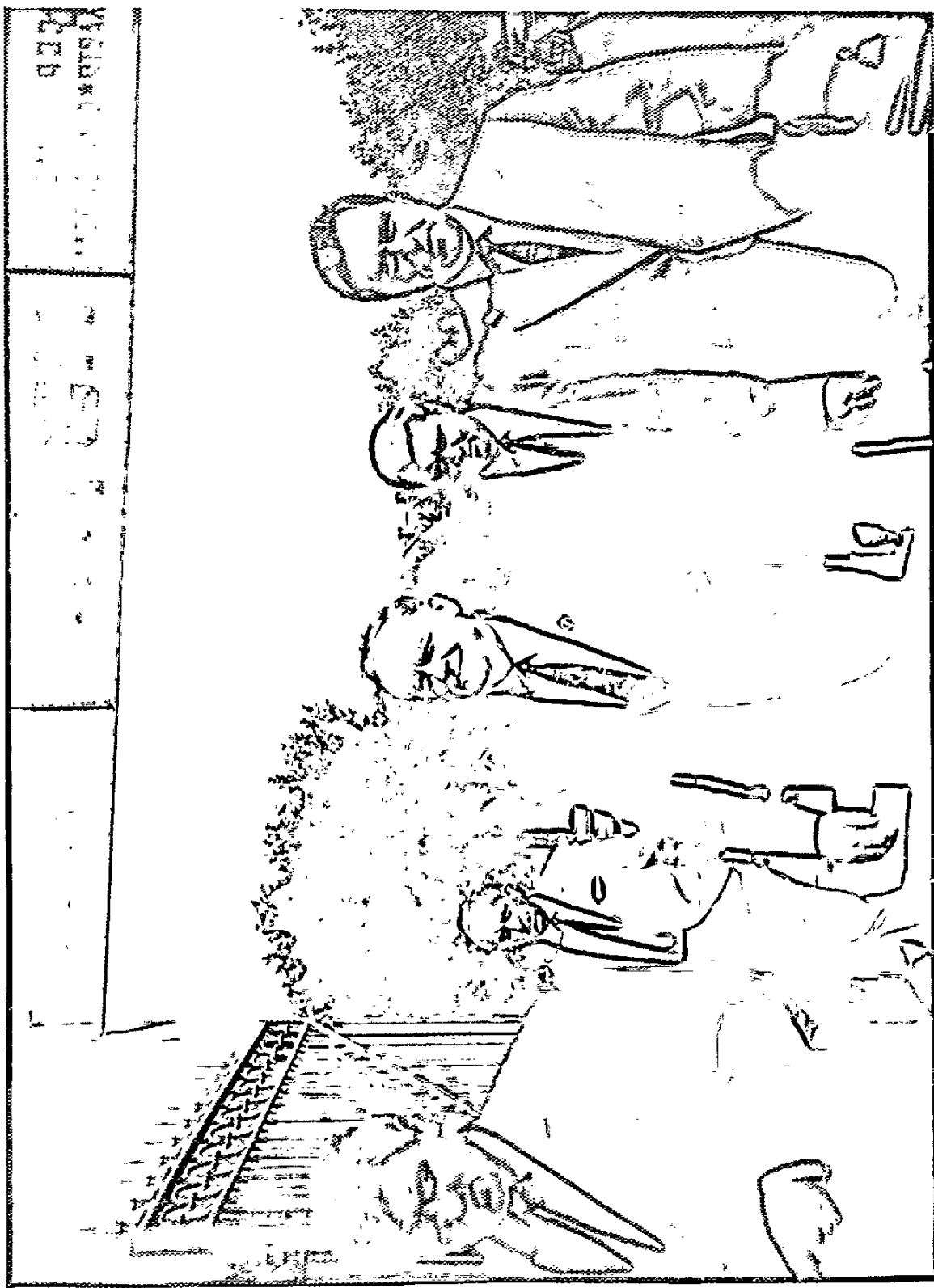


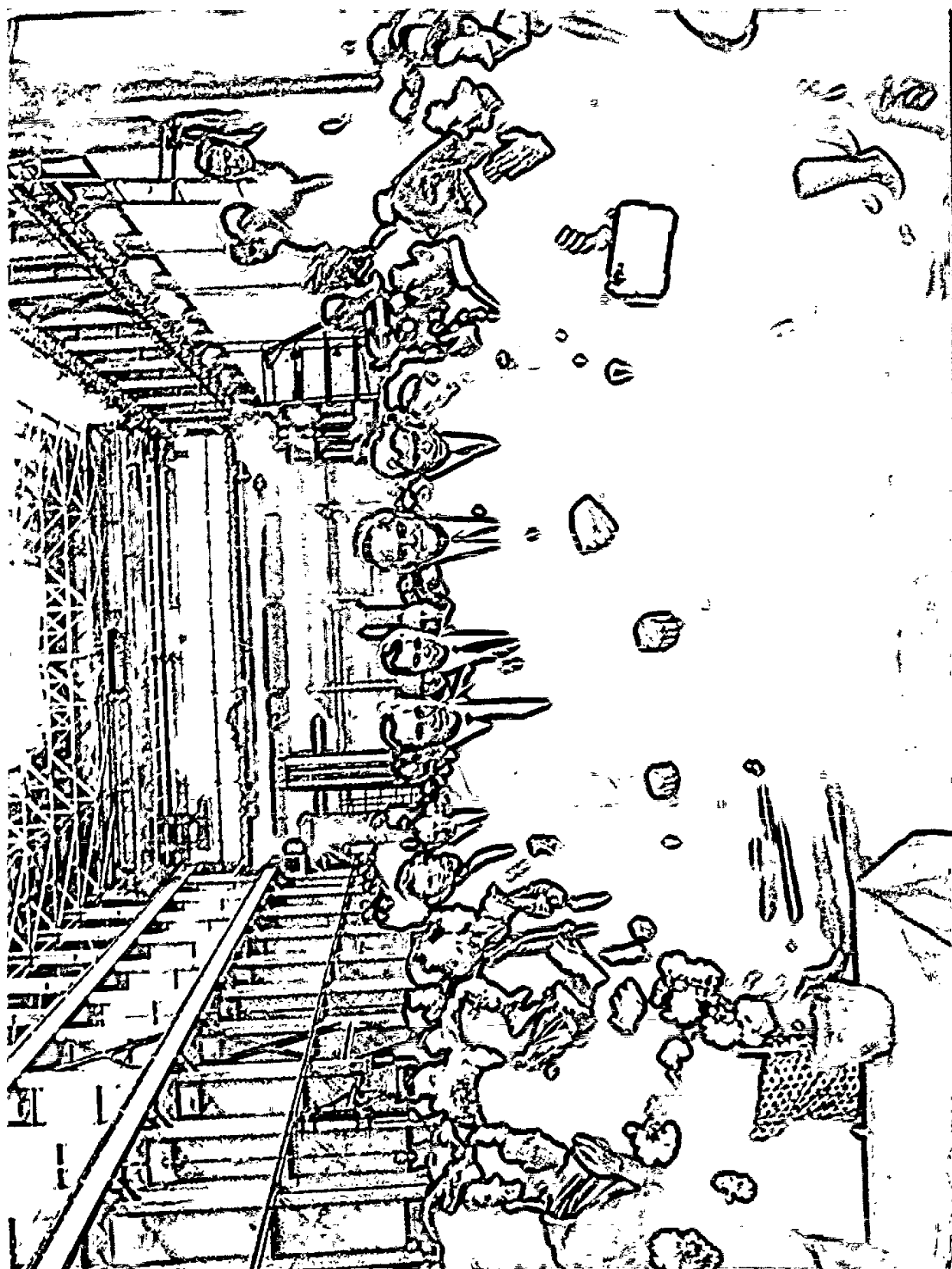


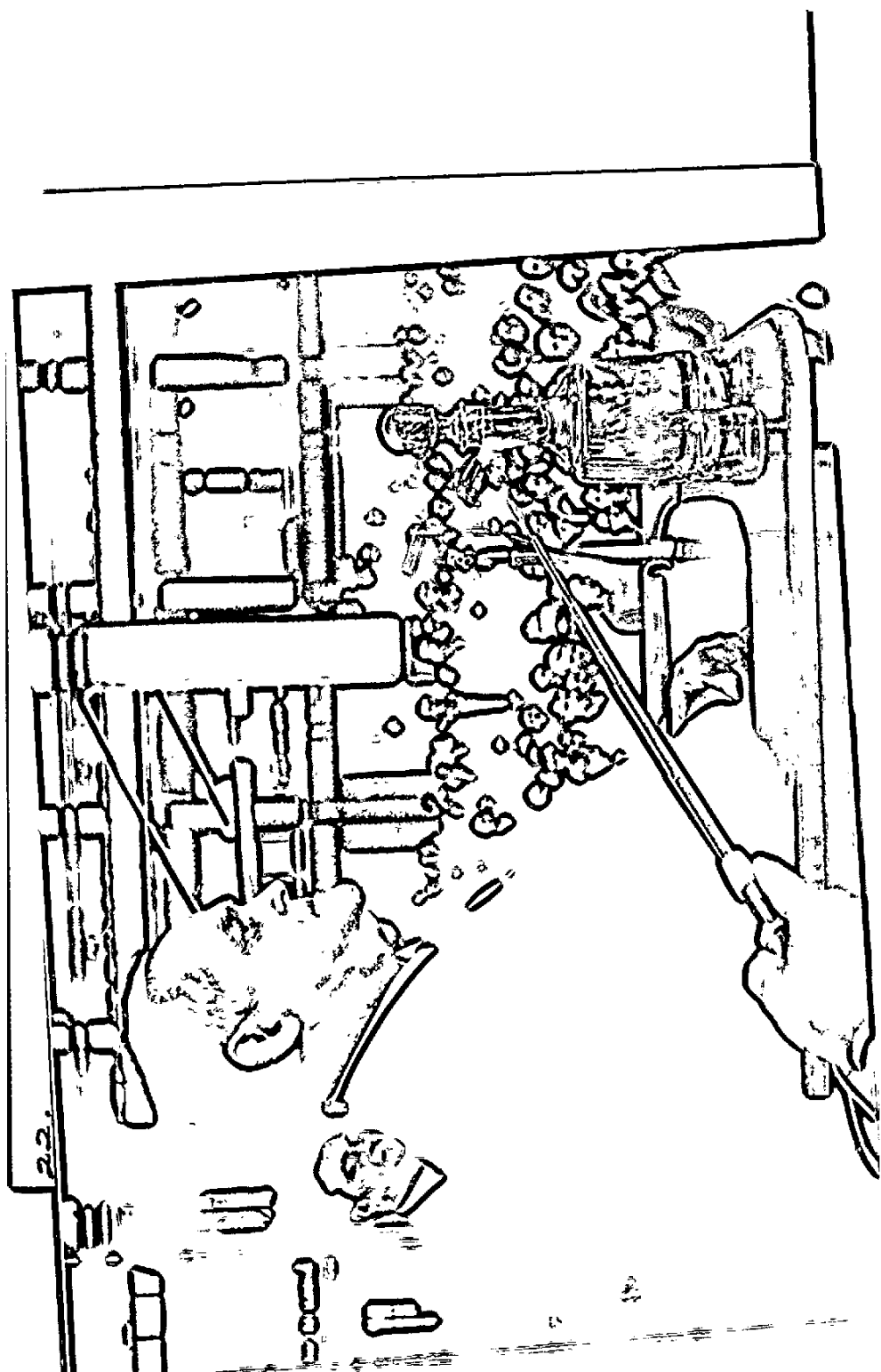


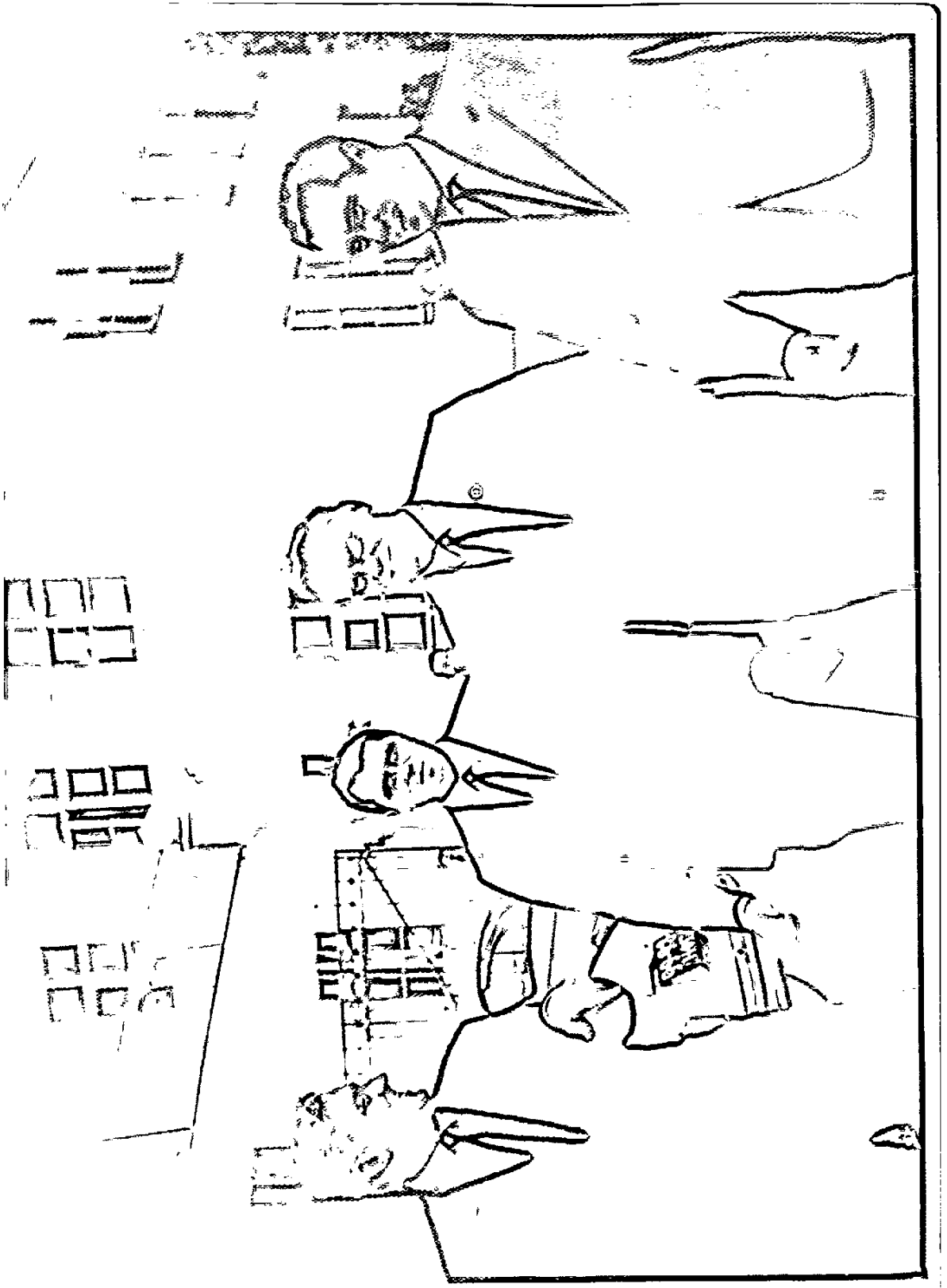


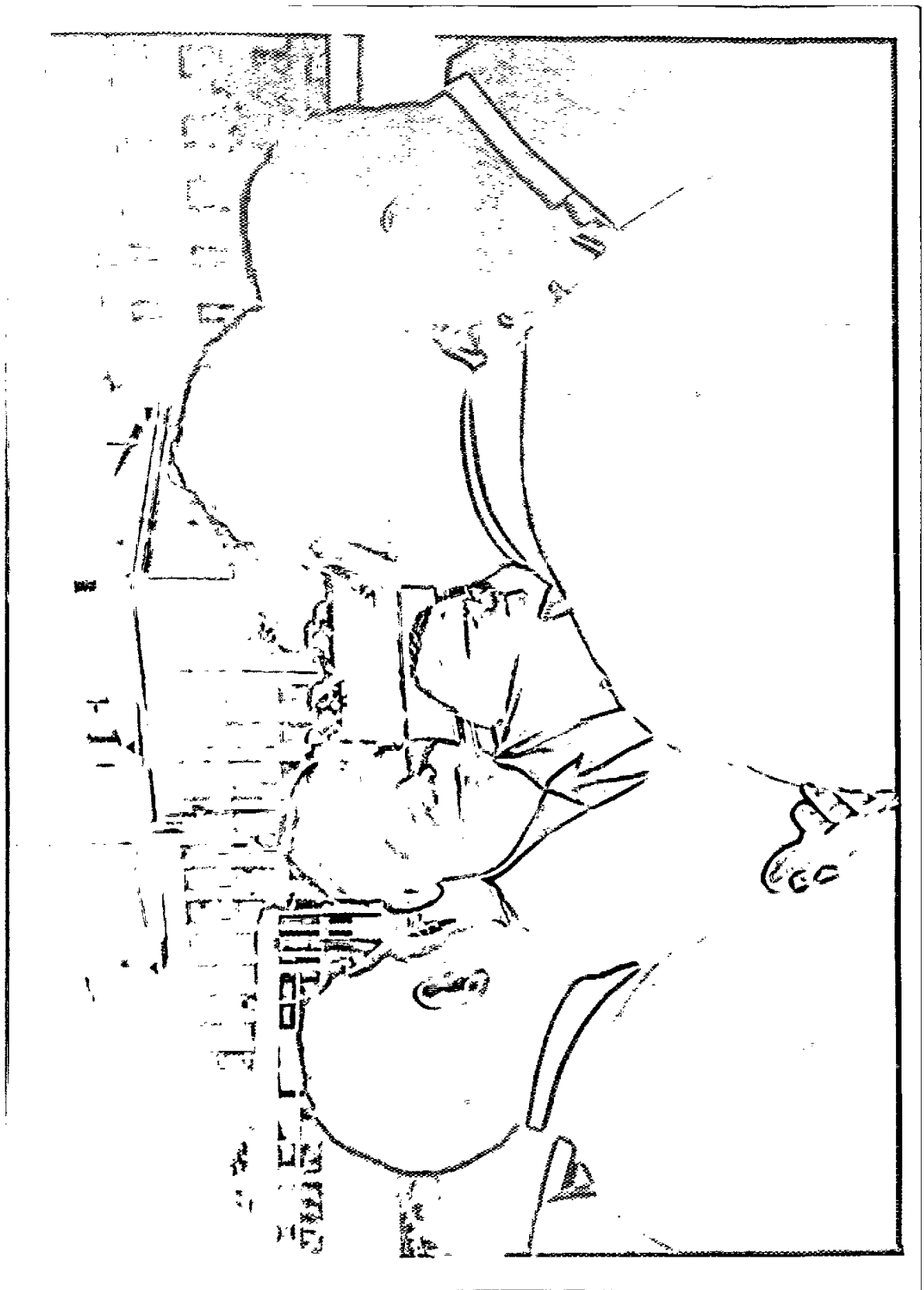


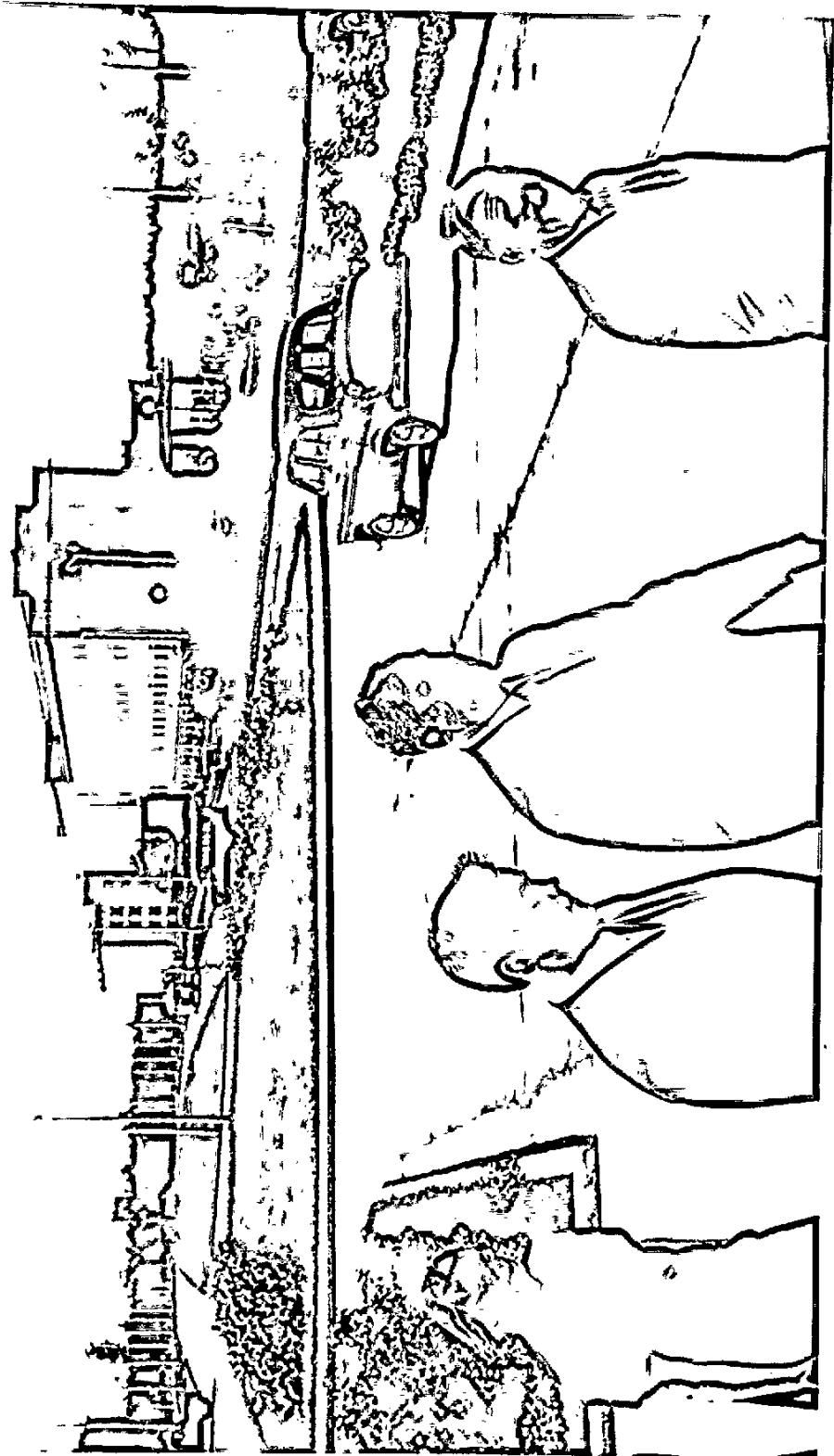


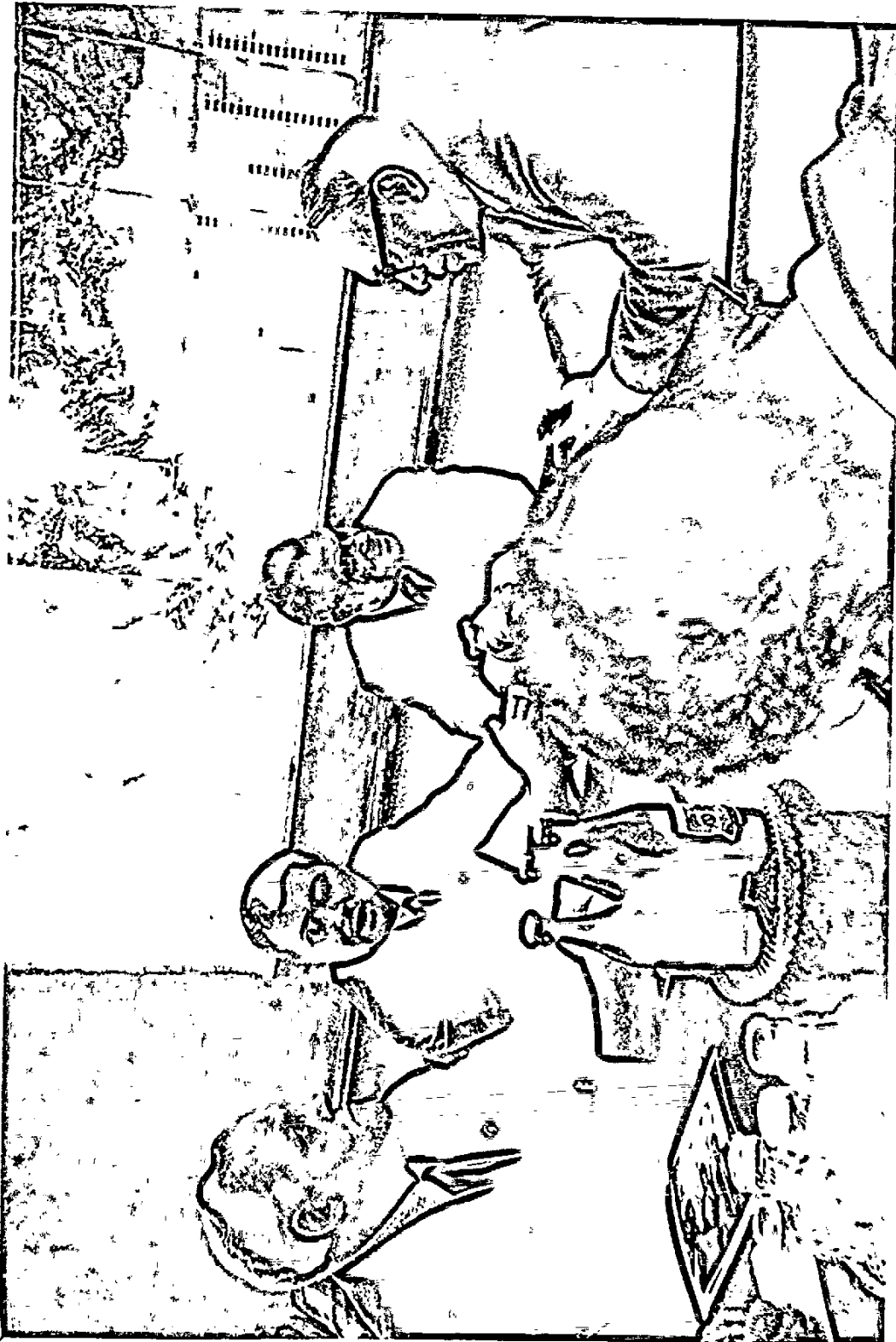






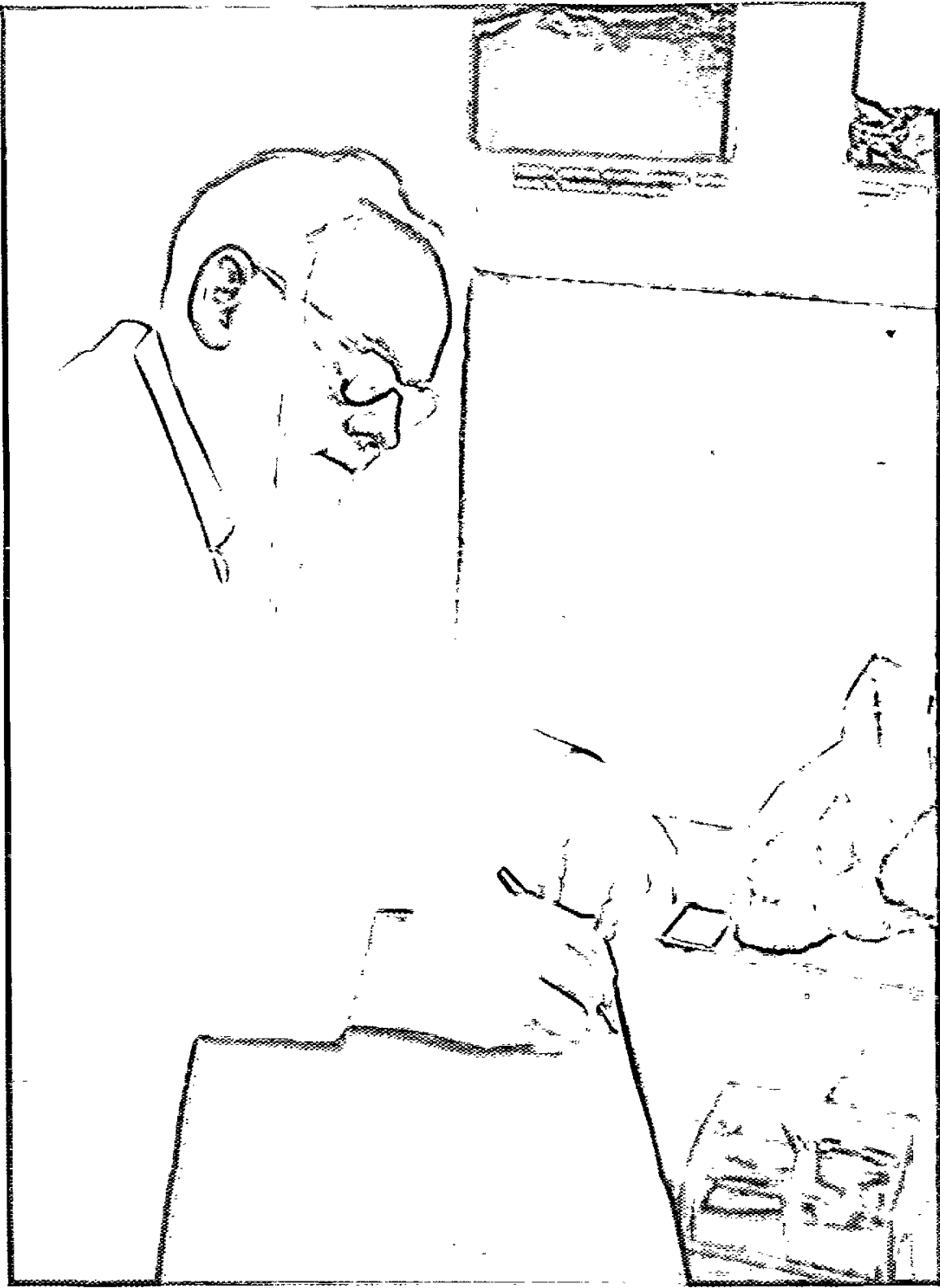


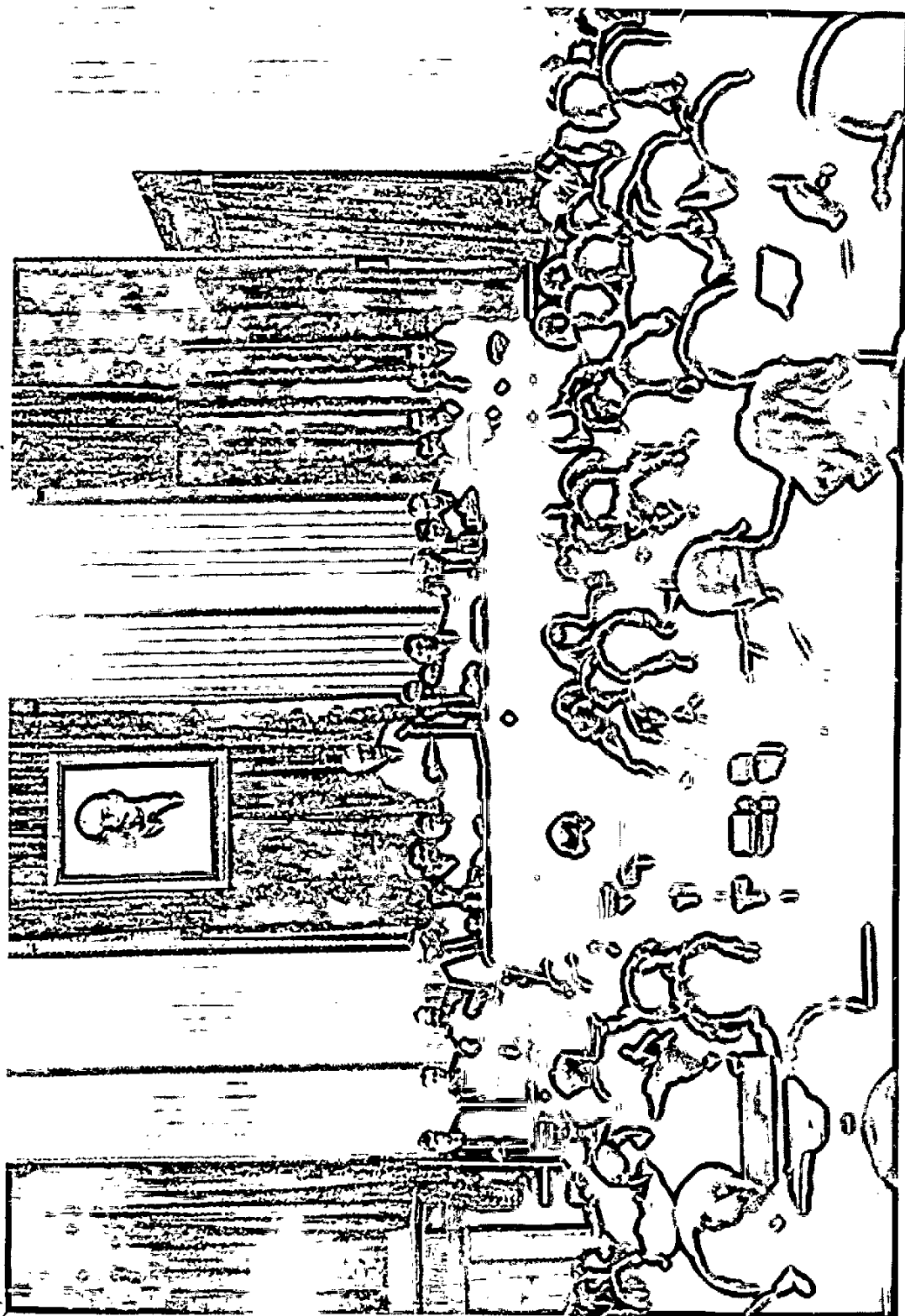












ROUTE IN ^{F B} ENVELOPE

Date: 3/28/67

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL REGISTERED MAIL
(Priority)

TO : DIRECTOR, FBI (100-428091)

FROM: SAC, CHICAGO (134-46 Sub B)

SOLO
IS-C

Enclosed herewith for the Bureau are three copies and for the New York Office one copy of an informant's statement entitled, "JAMES E. JACKSON AND INQUIRY TO BE MADE OF COMMUNIST PARTY OF THE SOVIET UNION REGARDING TRAVEL TO NORTH VIETNAM."

The information appearing in the enclosed informant's statement was orally furnished on 3/24/67 by CG 5824-S*, who has furnished reliable information in the past, to SAs WALTER A. BOYLE and RICHARD W. HANSEN.

For the information of the Bureau and New York, the matter referred to in the enclosed informant's statement was raised by GUS HALL, General Secretary, CP, USA, with the intention that NY 694-S* would be the individual to raise it for discussion with representatives of the CP of the Soviet Union during the course of the 23rd Solo Mission.

1-904 940 with 1 encl
③-Bureau (Enc. 3) (RM) ENCLOSURE
1-New York (100-134637) (Enc. 1) (Info) (RM)
1-Chicago

RWH:MDW
(5)

REC 46

APR 7 1967

SPEC. MAIL RM.

Approved: *55 mg*

Sent _____

M

Per _____

65 APR 10 1967 Special Agent in Charge

JAMES E. JACKSON AND INQUIRY TO BE MADE OF COMMUNIST
PARTY OF THE SOVIET UNION REGARDING TRAVEL TO NORTH
VIETNAM

In mid-March, 1967, Gus Hall, General Secretary of the Communist Party, USA (CP, USA), stated that James E. Jackson had, after a long delay, received permission from the United States Department of State to travel to North Vietnam. The State Department granted this permission to Jackson because of his status as publisher of "The Worker." Hall stated that if Jackson travels, it is that individual's intention to write a series of articles from Vietnam for publication in "The Worker."

In view of the foregoing, Hall now wants some discussion carried on with representatives of the Communist Party of the Soviet Union (CPSU) relative to travel to North Vietnam. Hall particularly wants some inquiry made in regard to whether the Chinese are presently granting any transit visas through that country to Hanoi. According to Hall, any attempt to travel to Hanoi by a route other than via Moscow, USSR, and Peking would be very tough as well as very costly. He wants the Russians asked if the route to China should be out, whether there might be some alternate route via the Soviet Union and possibly India to Hanoi. In carrying out these discussions relative to travel to North Vietnam, the Russians should be told that the CP, USA did have some concrete ideas in mind and that Jim Jackson, in his capacity as publisher of "The Worker," had been granted permission by the United States Department of State to travel to Hanoi.

100-428071-6184

- 1 ENCLOSURE

UNITED STATES GOVERNMENT

Memorandum ROUTE IN ENVELOPE

TO : Mr. C. D. Brennan

DATE: 4/5/67

FROM : J. T. Kelly

1 - Mr. C. D. Brennan
1 - Mr. J. T. Kelly

SUBJECT: SOLO
INTERNAL SECURITY - C

Tolson _____
DeLoach _____
Mohr _____
Wick _____
Casper _____
Callahan _____
Conrad _____
Felt _____
Gale _____
Rosen _____
Sullivan _____
Tavel _____
Trotter _____
Tele. Room _____
Holmes _____
Gandy _____

This memorandum outlines the material developed during Solo Mission 22 and will assist in locating pertinent data within the Solo file.

<u>DESCRIPTION OF INFORMATION</u>	<u>AIRTEL</u>	<u>SERIAL</u>
ARONSON, JAMES (Editor - "National Guardian").....	2/10/67	6086
[REDACTED].....	2/10/67	6086
BELYAKOV, A.S. (Deputy to Ponomarev).....	2/15/67	6107
[REDACTED].....	2/3/67	6046
BREZHNEV, LEONID.....	2/4/67	6048
BROOKS, JACK.....	2/10/67	6086*
CASTRO, FIDEL.....	2/3/67 2/6/67	6046 6056
CHINA, CP OF.....	2/4/67	6049
(Visas through China).....	2/10/67	6080
[REDACTED].....	2/6/67	6056
COMMUNIST PARTY, USA (Association with Communist Party of Venezuela).....	2/4/67	6047
CUBAN COMMUNIST PARTY.....	2/6/67	6056

REC 46 100-428091-6185

100-428091

EX-114

5 APR 7 1967
CONTINUED - OVER

JTK:dmk

65 APR 10 1967

SPECIAL MAIL RM.

Memorandum to Mr. C. D. Brennan
 RE: SOLO
 100-428091

<u>DESCRIPTION OF INFORMATION</u>	<u>AIRTEL</u>	<u>SERIAL</u>
CYRANKIEWICZ, JOZEF (Chairman, Council of Ministers, Polish United Workers Party).....	2/7/67	6065
DENNIS, GENE.....	2/10/67	6086
DENNIS, PEGGY ("People's World" Representative).....	2/10/67	6078
DEWHURST, ALFRED (CP of Canada representative to "World Marxist Review").....	2/10/67	6078
FARIA, JESUS (CP of Venezuela, General Secretary).....	2/14/67	6100
FREEMAN, AL.....	2/10/67	6086
FRYBERT, VACLAR (International Department, Central Com- mittee, CP of Czechoslovakia).....	2/8/67	6066
GERMAN DEMOCRATIC REPUBLIC.....	2/7/67	6065
GREEN, GILBERT (Chairman, New York State CP District).....	2/7/67	6061
HALBERG, TOIVO (Visas to USSR).....	2/14/67	6098
HALL, GUS.....	2/6/67 2/10/67	6056 6086
HARRIS, LEM (CPUSA).....	2/7/67	6061
HEALEY, DOROTHY (Visit to Prague).....	2/13/67	6087
INDONESIA, COMMUNIST PARTY OF.....	2/4/67	6049
INSTITUTE OF INTERNATIONAL WORKERS MOVEMENT, MOSCOW, USSR.....	2/16/67	6111
ITALY, COMMUNIST PARTY OF.....	2/4/67	6048

Memorandum to Mr. C. D. Brennan
RE: SOLO
100-428091

<u>DESCRIPTION OF INFORMATION</u>	<u>AIRTEL</u>	<u>SERIAL</u>
JACKSON, JAMES (Visit to Soviet Union).....	2/10/67	6086
JAPAN, COMMUNIST PARTY OF.....	2/4/67	6049
JIRASKA, MIROSLAV (Foreign Office, Czechoslovakia Republic, Prague).....	2/8/67	6066
JOHNSON, BEATRICE SISKIND.....	2/6/67	6056
KAUFMAN, MARY (Travel to Moscow).....	2/14/67	6106
KEATING, EDWARD (Publisher, "Ramparts" Magazine).....	2/10/67	6086 b6
<div style="border: 1px solid black; width: 150px; height: 20px; display: inline-block;"></div>	2/10/67	6086 b7C
KOLKO, EMANUEL (Inquiry by Representative of Security Branch, Communist Party of the Soviet Union).....	2/21/67	6124
KUSKOV, E.....	2/6/67	6049
KUSKOV, YE. I.....	2/15/67	6107
LATIN AMERICAN SOLIDARITY (Statement by Communist Party of Venezuela).....	2/27/67	6128
LAUNDRY OPERATION (As drop for Soviet Union).....	2/10/67	6086
LIMA, LUIS TURCILUS.....	2/6/67	6056
LUMER, HYMAN (Educational Director).....	2/7/67	6061

Memorandum to Mr. C. D. Brennan
 RE: SOLO
 100-428091

<u>DESCRIPTION OF INFORMATION</u>	<u>AIRTEL</u>	<u>SERIAL</u>
MEXICAN COMMUNIST PARTY (Supporting Communist Party of Venezuela).....	2/3/67	6046
MEYERS, GEORGE (Labor Secretary, CPUSA).....	2/7/67	6061
MIKE (LNU) (Security Branch, International Department).....	2/10/67	6086
MIKHAILOV, IGOR (Soviet official).....	2/6/67	6057
(Heads relations with CPUSA).....	2/8/67	6086
MIKHAILOV, IGOR. V.....	2/10/67	6079
MOSTOVETS, NIKOLAI V.....	2/4/67	6048
	2/4/67	6049
(Continues to head North & South American Section, International Department, Central Committee, Communist Party of the Soviet Union).....	2/8/67	6069
MOYERS, WILLIAM (Former US Press Secretary).....	2/10/67	6086
NEEDLEMAN, ISADORE (Visas to USSR).....	2/14/67	6098
NEW WORLD REVIEW (Subsidy of \$30,000 from Communist Party of the Soviet Union).....	2/10/67	6079
PANAMA (Return to Panama from USSR of unidentified member of Political Bureau of CP of Panama).....	2/9/67	6074
PANORAMA, DDR. (Dealing with German Federal Government and rise of Neo-Nazism).....	2/14/67	6099

Memorandum to Mr. C. D. Brennan
 RE: SOLO
 100-428091

<u>DESCRIPTION OF INFORMATION</u>	<u>AIRTEL</u>	<u>SERIAL</u>
PEARLMAN, MOLLIE.....	2/10/67	6078
PONOMAREV.....	2/9/67	6077
PONOMAREV, BORIS N.....	2/4/67	6048
(International Department, CP of the Soviet Union).....	2/8/67	6068
PROGRESSIVE LABOR.....	2/6/67	6056
ROMANIA (Establishment of diplomatic ties between Romania and Germany).....	2/9/67	6076
SAILLANT, LOUIS (General Secretary of World Federation of Trade Unions).....	2/27/67	6133
SCHEER, ROBERT (Editor, 'Ramparts' Magazine).....	2/10/67	6086
SHARIF, DJAVAD (Head of Translation Department, "World Marxist Review").....	2/8/67	6067
SHEVLYAGIN, DMITRI P. (International Department, Subordinate to Ponomarev).....	2/15/67	6107
SMITH, JESSICA (Editor, "New World Review").....	2/10/67	6079
SEVENTH CONGRESS OF SOCIALIST UNITY PARTY OF GERMANY, APRIL 17-22, 1967.....	2/9/67	6075
SOUTH AFRICA, COMMUNIST PARTY OF.....	2/6/67	6058
SOVIET ATTITUDE TOWARD U.S. IN WAR IN VIETNAM.....	2/6/67	6073
ASSESSMENT BY CP OF THE SOVIET UNION OF CURRENT SINO-SOVIET RELATIONS.....	2/6/67	6059

Memorandum to Mr. C. D. Brennan
RE: SOLO
100-428091

<u>DESCRIPTION OF INFORMATION</u>	<u>AIRTEL</u>	<u>SERIAL</u>
INTERNATIONAL DEPARTMENT, CENTRAL COMMITTEE, COMMUNIST PARTY OF THE SOVIET UNION.....	2/8/67 2/8/67	6068 6069
SOVIET UNION, COMMUNIST PARTY OF (Meeting of Representatives of Communist Party of the Soviet Union and Polish United Workers Party, 1/17-18/67).....	2/7/67	6065
(Plenum of Communist Party of the Soviet Union).....	2/4/67	6048
SPECIAL BOOK TO BE ISSUED FOR 15TH ANNIVERSARY OF OCTOBER REVOLUTION.....	2/13/67	6088
SUCESOS.....	2/3/67	6046
TRI-CONTINENTAL SOLIDARITY.....	2/3/67	6046
TIMOFEEV, TIMUR (Director, Institute of International Workers Movement).....	2/16/67	6111
URNOV, ANDRE (Soviet official).....	2/6/67	6058
[REDACTED] (Former American residing in Prague, Czechoslovakia).....	2/7/67	6063
(Former American now employed by World Federation of Trade Unions).....	2/27/67	6133
[REDACTED].....	2/10/67	6086
VASINOV, GEORGE (Secretary to Timofeev).....	2/16/67	6111
VASINOV, GREGORY (Chief Secretary to Timofeev).....	2/16/67	6111
VENEZUELA, COMMUNIST PARTY OF.....	2/3/67 2/4/67	6046 6047
WINTER, CARL (Editor of "The Worker").....	2/14/67	6101

Memorandum to Mr. C. D. Brennan
RE: SOLO
100-428091

<u>DESCRIPTION OF INFORMATION</u>	<u>AIRTEL</u>	<u>SERIAL</u>
"WORLD MARXIST REVIEW".....	2/10/67 2/7/67	6078 6061
WORLD MEETING OF COMMUNIST AND WORKERS PARTY.	2/4/67	6048
WORTHAM TRIAL.....	2/14/67	6101
YARIS, HARRY ("The Worker" correspondent).....	2/7/67 2/13/67	6064 6089

ACTION:

File for record purposes.

JAC.
2
gjh

ROUTE IN ENVELOPE

F B I

Date: 4/6/67

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL REGISTERED
(Priority)

TO : DIRECTOR, FBI (100-428091)
 FROM : SAC, NEW YORK (100-134637)
 SUBJECT: SOLO
 IS-C

On 4/6/67, there was received at a New York City drop a coded note from NY 694-S* dated 4/3/67, advising that he had arrived in London, that he was in good health, and that he expected to be en route momentarily for Moscow.

EX-113

REC-7

3 - Bureau (RM)
 1 - Chicago (134-46-Sub B) (AM RM)
 1 - NY 134-91 (INV) (41)
 1 - NY 100-134637 (41)

6 APR 11 1967

ACB:msb
 (7)

Approved: _____

Sent _____ M

Per _____

65 APR 12 1967 Special Agent in Charge

ROUTE IN ENVELOPE

Date: 3/28/67

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL REGISTERED MAIL
(Priority)

TO : DIRECTOR, FBI (100-428091)

FROM: SAC, CHICAGO (134-46 Sub B)

SOLO
IS-C

ReNYairtel dated 3/14/67.

Reairtel reflects there was a coded message received from the Soviets via radio which revealed that the Soviet Youth Organization's Committee was conducting a tour, 4/29-6/1/67, to the Soviet Union for journalists of youth newspapers and magazines, and all expenses would be paid by that organization. One representative of U.S. "Young Communists" was invited to attend.

In connection with the above, GUS HALL, General Secretary, CP, USA, on 3/15/67 advised that the person he had selected to accept the above invitation of the Soviet Youth Organization's Committee to tour the Soviet Union was one CARYL DAVIAU. HALL described this person as a writer for "The Worker" and a member of the Editorial Board of the "Young Communists." DAVIAU, according to HALL, is a niece of PHIL BART, current Party leader in Cleveland, Ohio.

1-904 940
③-Bureau (RM)
1-New York (Info) (RM)
1-Chicago
RWH:MDW
(5)

REC-9

EX 100

APR 12 1967

Approved: *[Signature]*

65 APR 14 1967 Special Agent in Charge

Sent _____ M Per _____

ROUTE IN ENVELOPE

Date: 4/6/67

Transmit the following in _____
(Type in plaintext or code)Via REGISTERED AIRTEL
(Priority)

TO : DIRECTOR, FBI (100-428091)
 FROM : SAC, NEW YORK (100-134637)
 SUBJECT: SOLO
 IS-C

On 4/6/67, there was received at a New York City drop a note from the Canadian CP containing a sealed letter addressed to CARL WINTER, Editor of "The Worker." A Xerox of the above letter is attached hereto.

The original of the aforesaid note is enclosed herewith for the Chicago Office for transmittal to CG 5824-S*, who, by reason of the absence from USA of NY 694-S*, can deliver the said note to CARL WINTER.

"BEATRICE" who signed the above letter is BEATRICE SISKIND JOHNSON, CPUSA liaison with the Cuban CP.

- 1-904 910 with 1 encl
 3 Bureau (RM)
 1 - Chicago (134-46-Sub B) (Enc. 1) (AM RM)
 1 - NY 134-91 (INV) (41)
 1 - NY 100-134637 (41)

ACB:msb
 (7)

Data in attached has
 appeared in press.

ENCLOSURE

REC-9

100-428091-6188

6 APR 12 1967

EX 109

Approved: *[Signature]*

Sent _____ M. Per _____

65 APR 14 1967 Special Agent in Charge

March 20, 1967

Dear Carl:

I have this opportunity to write you about the possibility that I may be able to go to Chile to work there. I have been invited by the Party and look favorable on the idea. I can do much more from there about Latin America, and that country is going thru some interesting developments which should be known in the States.

Besides, it is very easy to get citizenship there and it would give me freedom to move around. What do you think of the idea? How soon can you send a replacement here?

The last speech of Fidel has declared war on all Parties who don't agree with his conception of armed struggle as the only form of struggle, and the support of all and any who talk revolutionary and are willing to take up arms. This approach of his, will cut Cuba off the Parties and will encourage all kinds of elements. The coming Conference of OLAS The Latin American Solidarity organization scheduled for July 23, 1967, will be a free for all.

I am anxious to know your opinion of the proposal of the Chilean Party. I am sure I could do much more there. It is getting very difficult to work here and a fresh person may be able to get more out of them. I have not been able to arrange a trip for a long time and somehow they couldn't care less. This does not only apply to me, but to most of the Party papers with permanent correspondents here. Even poor Phil Foner is feeling it. First Gramma interviewed him and did not publish a word. The Academy of Science has arranged 10 lectures on the History of the US labor movement, and only four were held, for lack of audience. It was a shameful thing. But it illustrates how they are behaving.

Of course
Of, I think it would be wrong to leave. We must stay and do all we can not to loose contact, to see that our literature gets to them, and even try to draw conclusions from events, but its not easy and it will even get worse.

I am sure you have followed the controversy with Venezuela, well it has developed into an hostility, with sharp talk on both sides. The last speech drew a sharp rebuke from the comrades in Venezuela. They said that Fidel has no ideology, he is a revolutionary, but not a politician nor a Communist. They also criticized Fidel's attack on the USSR, because they had a trade mission in Colombia at the time when the government was arresting the leaders of the CP. They asked how come Cuba trades with Spain, and imperialist Britain, to which they should have added Portugal. The entire answer was not published here. I have only see fragments in the press cables.

The sugar harvest is in full swing and promises to give at least 6 million metric tons, which is very good, and will make the big boy more arrogant than ever. There is so much to write and talk about in regard to developments here. Is there a chance of seeing anybody either here or in Europe this summer?

I wish you would write once in a while. I have written Gus as well but silence. Tell me what you think of things.

All the best and don't neglect to write at once what you think of the proposals about me.

All the best

ENCLOSURE

100-42897-6188
Zea

FBI ROUTE IN ENVELOPE

Date: 4/6/67

Transmit the following in _____
(Type in plaintext or code)

Via AIRTEL _____
(Priority)

TO : DIRECTOR, FBI (100-428091)
FROM : SAC, CHICAGO (134-46 Sub B)
SUBJECT: SOLO
IS - C

5- [Signature]

On 4/6/67 there was received at the LYDIA WHITE drop address in Chicago a communication from NY 694-S* postmarked 4/3/67 at Hayes, Middlesex, a suburb of London, England. The letter itself was on the stationery of the Ariel Hotel (London Airport), Hayes, Middlesex, and was dated Monday (4/3/67), Breakfast. The text of this letter is set forth below:

"Hello!

"Trip uneventful - and again 'off to the races' with Higgans.

"As a good tourist mail all letters to my kin.

"This place was everything you said it was - new, clean and exact....and handy indeed.

"There is'nt more that I could add save for the fact that it did rain and the bacon was what it should be - crisp, thick and tasty. In hours will have lunch aloft -

m

"Best and Love

Jerimah"

- ③ - Bureau (RM)
1 - New York (100-134637)
1 - Chicago

REC-9 100-428091-6189
EX-109

APR 12 1967

WAB:mes
(5)

Approved: *[Signature]* Sent _____ M Per _____
65 APR 14 1967 Special Agent in Charge

CG 134-46 Sub B

The reference to "letters to my kin" is an acknowledgement by NY 694-S* that he had mailed the letter he was carrying at the request of CG 5824-S* addressed to JOHN GOLLAN, General Secretary of the Communist Party of Great Britain. The rest of the letter is innocuous, except to indicate that NY 694-S* had arrived in London without mishap and would be departing within hours on the next leg of the current Solo Mission.

UNITED STATES GOVERNMENT

Memorandum

TO : DIRECTOR, FBI (100-428091)

DATE: 4/7/67

FROM : SAC, CHICAGO (134-46 Sub F)

SUBJECT: SOLO
IS-C

ReBulet dated May 4, 1960, and CGlet dated March 2, 1967.

ReBulet instructed the Chicago Office to set forth on a monthly basis an accounting of all receipts and disbursements of Solo and CP, USA Reserve Funds in the possession of CG 5824-S*. Set forth below is an accounting for March, 1967:

Balance of funds in possession of
CG 5824-S* as of March 1, 1967

Solo

Maintained in cash in safe deposit box, Michigan Avenue National Bank, Chicago, Illinois.....\$129,787.25

CP, USA Reserve Funds

None.

Additions

Solo and CP, USA Reserve Funds

None.

1-904 94-D
②-Bureau (RM)
2-New York (RM)
(1-100-134637 Sub A)
(1-100-128861 (CP, USA - Reserve Funds)
1-Chicago

RWH:MDW
(5)



65 APR 14 1967

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan.

REC-9 100-428091-6190

EX 109

APR 12 1967

TMA

CG 134-46 Sub F

Disbursements

Solo

On 3/3/67 as purchase price for used
1965 Ford Mustang convertible for

b6
b7C

[redacted]
[redacted] CP, USA, purchased on in-
structions of HALL and turned over to
[redacted] at Chicago, 3/31/67.....\$1,720.50

During period 3/6-18/67 as money
expended on cost of meals, gifts,
transportation, and related items
purchased for HALL and family in
New York and New Haven areas and
incidental expenses and outlays of
cash incurred on instructions of
HALL and paid to other individuals
in New York City area attending
National Executive Board meeting,..... 380.00

b6
b7C

On 3/24/67 paid on instructions of
HALL to [redacted] Chicago, an
individual involved by the CP, USA
in business activities..... 1,500.00

Total disbursements \$3,600.50

Balance of funds in possession
of CG 5824-S* as of March 31,
1967

Solo

Maintained in cash in safe deposit
box, Michigan Avenue National Bank,
Chicago, Illinois.....\$126,186.75

CP, USA Reserve Funds

None.

ROUTE IN ENVELOPE

OPTIONAL FORM NO. 10
MAY 1962 EDITION
GSA GEN. REG. NO. 27

5010-106

UNITED STATES GOVERNMENT

Memorandum

TO : Mr. Conrad *Jave*

DATE: April 10, 1967 *WV*

FROM : E. F. Downing

SUBJECT: SOLO
INTERNAL SECURITY - C

Tolson _____
DeLoach _____
Mohr _____
Wick _____
Casper _____
Callahan _____
Conrad _____
Felt _____
Gale _____
Rosen _____
Sullivan ☒ _____
Tavel _____
Trotter _____
Tele. Room _____
Holmes _____
Gandy _____

Captioned case involves the Bureau's highly valuable confidential informant NY 694-S* who has been receiving communications transmitted to him by radio.

On 4/10/67, transmissions were heard by the Bureau's radio station at Midland at scheduled times and frequencies but no messages were transmitted.

ACTION:

For information.

- 1 - Mr. Conrad
- 2 - Mr. Sullivan (Attn.: Mr. J.A. Sizoo, Mr. R.C. Putnam)
- 1 - Mr. Downing
- 1 - Mr. Newpher
- 1 - Mr. Paddock

HS:cca
(7) *cca*

REC-9

EX 109

100-428091-6191

APR 12 1967

65 APR 14 1967

CG 134-46 Sub B

In the above letter the reference to STAN R. is to STANLEY B. RYERSON, a member of the National Executive Committee of the CP of Canada and Editor of the "Marxist Quarterly." The enclosed item concerning which STANLEY RYERSON was inquiring was a copy of a page from an Italian language newspaper "Corriere Canadese" dated 3/11/67. A Xerox copy of this enclosure is enclosed herewith for the Bureau. The Bureau is requested to have the Cryptanalysis-Translation Section of the FBI Laboratory prepare a full translation of this circled advertisement and furnish copies thereof to Chicago and New York.

Also enclosed with KASHTAN's letter was a copy of KASHTAN's memo to the Central Executive Committee of the CP of Canada dated 2/9/67. The contents thereof have been incorporated into a LHM suitable for dissemination. It is believed that the information set forth in the enclosed LHM may be furnished to the [redacted] without jeopardizing the Solo informant. Therefore, there is enclosed herewith the original and three copies for the Bureau and one copy for New York of an LHM entitled, "COMMUNIST PARTY OF CANADA."

b7D

In view of the absence of CG 5824-S* from Chicago, the items furnished by KASHTAN to CG 5824-S* by this letter will be held for him until his return to Chicago, which is expected on 4/10/67. At that time these documents will be turned over to CG 5824-S* for transmission to the National Office of the CP, USA.

To further protect the identity of the source, the enclosed LHM has been shown as being prepared in Washington, D.C.

The enclosed LHM has been classified "~~confidential~~" since the unauthorized disclosure of the information set forth therein could reasonably result in the identification of this source, who is furnishing information on the highest level concerning the international communist movement, thus adversely affecting the national security.



UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

Washington, D.C.
April 6, 1967

In Reply, Please Refer to
File No.

~~CONFIDENTIAL~~

COMMUNIST PARTY OF
CANADA

On April 6, 1967, a source, who has furnished reliable information in the past, advised as follows:

It has been learned that William Kashtan, General Secretary of the Communist Party (CP) of Canada, during February, 1967, prepared a memorandum to the "Central Executive" of the CP of Canada on the subject of foreign ownership and control of Canadian industry. The text of this memorandum setting forth recommended actions by the CP of Canada is set forth below:

"1. The decision of the Pearson Government to bring Mr. Walter Gordon back to the Cabinet and his appointment to head a committee to look into questions of foreign ownership and control and its effects on the Canadian economy, has been received with mixed feelings by monopoly interests. This was particularly evident after Mr. Gordon's remarks in Hamilton that foreign ownership of Canadian industry will be a major issue in the next federal elections and any party which ignored the issue would be committing 'political suicide.'

This document contains neither recommendations nor conclusions of the Federal Bureau of Investigation. It is the property of the Federal Bureau of Investigation and is loaned to your agency; it and its contents are not to be distributed outside your agency.

~~CONFIDENTIAL~~

Group 1

Excluded from automatic
downgrading and
declassification

100-428091-6192

ENCLOSURE

"2. Prime Minister Pearson's statement over TV last week may have been directed to allay this feeling and create the impression the Government did not intend to embark on any policies inimical to foreign or Canadian investors. In any case it was sufficiently general to impel the Globe and Mail to ask editorially 'what was the point', and for the Toronto Star to criticize its blandness and generalities.

"3. Whatever the motivations behind these manoeuvres it does reflect the fact that the Government has been compelled to take note of widespread concern regarding U.S. aggression in Vietnam and U.S. economic control in Canada. This widespread concern merges with the efforts of some monopoly interests to become masters of their own dollars by asserting a greater measure of economic and political independence and to resist growing U.S. pressures on their vital interests. From this standpoint the decision of the Government to establish a committee on foreign ownership and control may be more than a manoeuvre, coinciding as it does with the position it has taken regarding recognition of China, its strong opposition to the Mercantile Bank penetrating the Canadian economy, and its continuing efforts to extend trade with the socialist states. It may therefore reflect an effort through state monopoly measures to consolidate the positions of monopoly in Canada. It appears likewise directed to overcoming divisions in the ranks of the Liberal Party and strengthening the political fortunes of that Party.

"Mr. Gordon may well be correct in saying the issue of foreign ownership and control will become the major issue of the federal election in 1968. This in fact may be the Liberal strategy which it hopes will undercut Conservative and NDP support and lead to the election of a majority Liberal Government.

"4. In any case the establishment of the Cabinet Committee which will report to the Government who in turn will issue a white paper on the subject and then refer it to an all party parliamentary committee charged with holding public hearings, opens the door to widespread debate, not only on the issue of foreign ownership but foreign policy as well. This is particularly so in light of the parliamentary inquiry into Canadian policy on Vietnam and the role of the International Control Commission which is scheduled to take place shortly. We should see this as a positive development and seize the opportunity it presents to advance our position on this issue.. The fact is that having opened a pandora's box, it will be very difficult for the Government to close it without at least some pretense of action no matter how small.

"5. The proposals the Liberals and Conservatives are likely to advance will be directed to strengthening Canadian monopoly not the real independence of the country. The recent statement of the NDP in which it proposes measures of rationalization and merging of Canadian plants, presumably under monopoly ownership, evades the issue of public ownership. While the full statement is not available, what appears in the press seems to be a step back from the position taken at the last NDP Convention. As against measures such as these, our contribution to the debate should focus on the demand for public ownership of U.S. subsidiaries, centered on the slogan - 'end foreign ownership and control by public ownership (or nationalization?)'. This of course has been our position except that now we need to make it the basis around which to develop public campaigning taking into account too the fact that more forces are likely to give it favorable consideration than when we first advanced it.

COMMUNIST PARTY OF CANADA

~~CONFIDENTIAL~~

We need to point out that only through public ownership can the Canadian people come to grips with the continuing extension of U.S. ownership and control, made possible by these corporations ploughing back their profits in ways which further strengthen their hold over the Canadian economy.

"At the same time we should advance other intermediate demands which lead to greater measures of democratic control over our resources and industry. Among these could be:

"a) Legislative measures to compel U.S. subsidiaries to abide by Canadian laws and insistence that the U.S. 'trading with the enemy act' shall not apply to Canada, thereby enabling these companies to trade with all countries.

"b) Legislation to prevent U.S. take-overs of Canadian owned plants and the establishment of Crown corporations to ensure it.

"c) Support for the establishment of the Canadian Development Corporation directed to stimulate publicly controlled and independent economic development.

"d) Measures to develop a publicly operated all Canadian power grid and the adoption of a truly Canadian water policy.

"e) In light of the persistent efforts of U.S. banks to penetrate the Canadian economy and the connivance of sections of monopoly in this drive, we should bring to the fore our demand for nationalization of these vast resources on independent economic development.

"7. In line with the above the Secretariat should be asked to work out proposals on how the Party can undertake systematic public campaigning

~~CONFIDENTIAL~~

COMMUNIST PARTY OF CANADA

~~CONFIDENTIAL~~

around these issues without waiting for the open hearings which will be held at some stage. It should also consider the preparation of a Party Brief for presentation to the parliamentary Committee once it is established."

~~CONFIDENTIAL~~

UNITED STATES GOVERNMENT

Memorandum ROUTE IN ENVELOPE

Tolson _____
DeLoach _____
Mohr _____
Bishop _____
Casper _____
Callahan _____
Conrad _____
Felt _____
Gale _____
Rosen _____
Sullivan _____
Tavel _____
Trotter _____
Tele. Room _____
Holmes _____
Gandy _____

TO : Mr. W. C. Sullivan

DATE: 4/11/67

FROM : C. D. Brennan

1 - Mr. DeLoach
1 - Mr. Sullivan
1 - Mr. C. D. Brennan
1 - Mr. R. C. Putnam

SUBJECT: SOLO
INTERNAL SECURITY - COMMUNIST

My memorandum of 3/13/67 set forth, in detail, receipts and disbursements of funds received by the Communist Party, USA, during February, 1967. The following schedule shows the total funds received by the Communist Party, USA, since 9/58 from the Soviet Union and Red China together with disbursements during 3/67.

TOTAL FUNDS RECEIVED AND DISBURSED 9/58 TO 2/28/67

Total received from Soviet Union.....	\$4,187,745.19
Total received from Red China (all on 2/10/60):	50,000.00
Total received 9/58 to 2/28/67.....	\$4,237,745.19
Total disbursements 9/58 to 2/28/67.....	3,153,590.91
Balance of Fund, 2/28/67.....	\$1,084,154.28

There were no receipts during 3/67.

DISBURSEMENTS DURING MARCH, 1967

All disbursements made on specific instructions of Gus Hall, General Secretary, Communist Party, USA.

To Helen Winter for expenses of Party's National Office.....\$ 50,000.00

To Gus Hall for "Daily Worker Trust Fund."
This fund set up to hold money for re-establishment of daily Party newspaper..... 57,500.00

For personal expenses of Gus Hall..... 380.00 b6

To purchase car for [REDACTED] 1,720.50 b7C

To Gus Hall for Party expenses..... 2,500.00

100-428091

RCP:dmk
(5)

EX 109

REC 5

REC 11

CONTINUED - APR 13 1967

65 APR 17 1967

Memorandum to Mr. W. C. Sullivan
RE: SOLO
100-428091

To [redacted] for expenses in developing
business interests for Communist Party, USA..\$ 1,500.00

b6
b7C

TOTAL DISBURSEMENTS, MARCH, 1967.....\$ 113,600.50

BALANCE OF FUND, 3/31/67.....\$ 970,553.78

ACTION:

None. This memorandum is submitted for your information. An up-to-date accounting of Solo Funds will be brought to your attention each month. Details of accounting of these funds are not to be disseminated.

6 JH JCH

Q

ROUTE IN ENVELOPE

Date: 4/10/67

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL REGISTERED MAIL
(Priority)

TO : DIRECTOR, FBI (100-428091)

FROM: SAC, CHICAGO (134-46 Sub B)

6
SOLO
IS-C

ReNYairtel dated 3/28/67 captioned as above.

Enclosed for the Bureau are three copies and for New York one copy of an informant's statement entitled, "Philip Foner and Request From Communist Party of the Soviet Union to Place This Individual on 1967 Quota of Communist Party, USA Visitors to Soviet Union."

The information set forth in the enclosed informant's statement was orally furnished on 4/2-3/67 by CG 5824-S*, who has furnished reliable information in the past, to SAS WALTER A. BOYLE and RICHARD W. HANSEN.

In connection with the information appearing in the enclosed informant's statement regarding FONER acting as a trustee of an estate from which the CP, USA will benefit, the Bureau's attention is directed to the "New York Daily News," 4/7/67, which carried an article on page 42 captioned, "Exec Wills A Fortune To 3 Tied To Red Party." According to this news story, FONER was one of three trustees of an estate estimated at more than two million dollars.

3-Bureau (Enc. 3) (RM)

1-New York (100-134637) (Enc. 1) (Info) (RM)

1-Chicago

RWH:MDW
(5)

6 APR 18 1967

62 APR 18 1967

Approved: _____

Special Agent in Charge

Sent _____ M Per _____

**PHILIP FONER AND REQUEST FROM COMMUNIST
PARTY OF THE SOVIET UNION TO PLACE THIS
INDIVIDUAL ON 1967 QUOTA OF COMMUNIST
PARTY, USA VISITORS TO SOVIET UNION**

On March 28, 1967, a message was received from the Communist Party of the Soviet Union (CPSU) indicating that Philip Foner, who was then in Cuba, had requested that he be allowed to come to the Soviet Union to lecture at the Moscow State University. Since the University planned no lectures by foreign schools for the immediate future, the Communist Party of the Soviet Union inquired if the Communist Party, USA (CP, USA) would agree to let Foner and his wife come to Moscow, USSR, under the quota allotted to the CP, USA members for rest and medical care in the Soviet Union during 1967.

On March 29, 1967, the above message was delivered to Gus Hall, General Secretary of the CP, USA. Upon first reading this message, Hall's reaction was very negative and he cursed the Russians for not inviting Foner on their own rather than requesting the CP, USA to authorize them to allow him to come there under the American Party's quota. His first inclination was to say no to the Russians but after having given the matter some additional thought, he agreed to allow Foner and his wife to go to the Soviet Union under the CP, USA 1967 quota. In making this decision, Hall noted that he really could do nothing else for after all Foner was a trustee of an estate by which the CP, USA could ultimately benefit by more than a "quarter million dollars." Hall indicated that he did not want to do anything which would jeopardize the Party's receipt of such money.

8
ROUTE IN ENVELOPE

FBI

Date: 4/10/67

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL REGISTERED MAIL
(Priority)

TO : DIRECTOR, FBI (100-428091)

FROM: SAC, CHICAGO (134-46 Sub B)

SOLO
IS-C

ReCGairtel dated 5/16/66 and enclosed informant's statement entitled, "'World Marxist Review,' Official Theoretical Organ of the International Communist Movement, and Desire to Devote September, 1966, Issue to Problems and Conditions in the United States;" CGairtel dated 1/11/67; and CGairtel dated 2/7/67 and enclosed LHM entitled, "Special Issue, March, 1967, of 'World Marxist Review,' Official Theoretical Organ of the International Communist Movement, Containing Articles on United States Problems by Communist Party, USA Authors."

On 4/2 and 3/67 CG 5824-S* advised SAs WALTER A. BOYLE and RICHARD W. HANSEN that GUS HALL, General Secretary, CP, USA, had on 4/1/67 advised that the "World Marxist Review" had published its special American edition but that he had not as yet seen a copy of it. According to HALL, five of the six articles which had been submitted by representatives of the CP, USA for publication reportedly appear in this current edition of the "World Marxist Review." The one article not printed was the one prepared by LEM HARRIS on the topic of farmers in the U.S. HALL stated there had been several cables received by him regarding the HARRIS article and it appeared that the staff at the "World Marxist Review" hesitated to print HARRIS' article because they did not feel that it was in keeping with the current agricultural situation in the U.S.

1 CC 904940
③-Bureau (RM)
1-New York (100-134637) (Info) (RM)
1-Chicago
RWH:MDW

REC 26EX-113

6 APR 18 1967

Approved: _____

Special Agent in Charge

Sent _____

M

Per _____

CG 134-46 Sub B

On 4/3/67 CG 5824-S* further advised that he, himself, had just received the 3/67 English language issue of the "World Marxist Review" published in Canada and had come air mail. This issue is Volume 10, No. 3, and on its front page indicates a special edition under the heading "USA: HEARTLAND OF IMPERIALISM." The first 48 pp. of this 3/67 issue of the "World Marxist Review" set forth five articles. These articles and their authors are as follows:

- 1) "The Foe Does Not Succumb to Slogans," by GUS HALL, General Secretary, CP, USA;
- 2) "The Meaning of the U.S. Elections," by GIL GREEN, member of the National Committee, CP, USA;
- 3) "Labor and The Negro People," by HENRY M. WINSTON, National Chairman, CP, USA;
- 4) "The U.S. Economy and the War in Vietnam," by HYMAN LUMER, member of the National Committee, CP, USA;
- 5) "Some Aspects of the Trade Union Movement," by GEORGE A. MEYERS, member of the National Committee, CP, USA.

The source advised that if the Bureau does not at this time possess a copy of the above-noted 3/67 issue of the "World Marxist Review," he will in the near future receive additional copies and one copy can be furnished the Bureau.

ROUTE IN ENVELOPE
FBI

Date: 4/10/67

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL REGISTERED MAIL
(Priority)

TO : DIRECTOR, FBI (100-428091)

FROM: SAC, CHICAGO (134-46 Sub B)

SOLO
IS-C

It will be recalled that the 8/10/66 edition of "Izvestia," official organ of the Presidium of the USSR Supreme Soviet, Moscow, USSR, carried an article entitled, "The Knights of Double-Dealing," by K. SMIRNOV. The article deals with a series of incidents in the Soviet Union involving profiteering and illegal currency activity on the part of a number of foreign visitors to that country. Among the individuals identified in the article as being guilty of such violations and to whom a large part of the article was devoted was one [redacted] of Chicago, Ill. As a result of his involvement in these matters, [redacted] had been expelled from the Soviet Union in 7/66. [redacted] had previously visited the Soviet Union a number of times and is well known to the Chicago Office for his connections with the CP locally. He was at the time when the article appeared and still is involved in the sales of Russian language material.

In connection with the above, CG 5824-S* on 4/2-3/67 provided the following information to SAs WALTER A. BOYLE and RICHARD W. HANSEN:

- 1-92474D
③-Bureau (Enc. 1) (RM)
1-New York (100-134637) (Enc. 1) (Info) (RM)
1-Chicago

RWH:MDW
(5)

6 APR 19 1967

Approved: SS [signature]

Sent _____ M Per _____

65 APR 24 1967 Special Agent in Charge

CG 134-46 Sub B

On 4/1/67 GUS HALL, General Secretary, CP, USA, remarked that sometime after [] had been expelled from the Soviet Union he had talked to [] HALL requested [] to draw up for him a statement setting forth the facts which led up to his detention and subsequent expulsion from the Soviet Union. [] did draw up such a paper and subsequently turned it over to HALL in the form of a four-page document. HALL indicated he had read [] document and was inclined to believe that the facts as [] set them forth were true. In view of this, HALL instructed that he wanted a copy of [] statement given to the Russians and that the matter should be raised in some way with them.

b6
b7C

The source noted that if possible he will assign HELEN WINTER, a representative of the National Office, CP, USA, who will be heading the May Day delegation to the Soviet Union, to attempt to take up this matter with the Russians.

Enclosed herewith for the Bureau and New York is one Xerox copy each of the above-noted four-page document entitled, "Resume of developments of 5-8 July 1966."

ENCLOSURE TO BUREAU FROM CHICAGO

1 Xerox copy of 4-pp document entitled,
"Resume of developments of 5-8 July 1966"

RE: SOLO
IS-C

Bufile 100-428091
CGfile 134-46 Sub B

Transmitted via CGairtel to Bureau 4/10/6'



100-128091-6196

Resume of developments of 5-8 July 1966

As part of my business of supplying Russian language study materials to the US market, I have made several trips to the USSR since 1963 to purchase such materials. I have bought filmstrips and records from Mezhdunarodnaya kniga, their export firm in this field, as well as in the shops. I have also bought used books in the shops specializing in them. Prices on all of this type of material are sufficiently low as to make their purchase at retail and their shipment home and resale here profitable if efficiently conducted.

Because not all the used book titles I seek are in the stores at a given time and because new recordings and filmstrips appear and are sold out with such rapidity that they frequently would never reach me through Mezhdunarodnaya kniga or be found on my brief periods there, I have asked those of my personal friends there who wanted to exchange with me to do so—books and records for their personal libraries for books, records and filmstrips (and occasionally posters) from the Soviet Union. This has been a quite minimal complement to my own purchases, which amount to some thousands of dollars on each trip of money given to the USSR State Bank and spent in the stores. Occasionally I have sent or brought to my friends items either not available in the USSR or available at much lower cost in the US as gifts—Scotch tape, ball point pens, clothing items. Mostly these have simply been outright gifts, a large part of them to friends who do not send me anything in any case, but whose hospitality I wish to reciprocate in some way.

Manashir Abramov was one of my Soviet friends. I was introduced to him by an American student who spent a year at Moscow University and told me that Manashir (Igor to his close friends) was a book collector and had been able to get him on one occasion some out-of-the-way history books that he needed for his courses, thus saving him repeated trips to the library. I met Manashir in Moscow in 1965. My impression was of a very intelligent young man, hardworking (a junior mathematician with the Academy of Sciences), a lover of literature, philosophy and music, and socially isolated to some degree on account of being a hunch-back. Neither his dress, apartment or personal manner indicated the existence of any income over and above his earnings from work. His political attitude seemed that of a normal Soviet person, patriotic though not uncritical.

Manashir helped me in his spare time in 1965 in my checking of the catalogs of the various used bookstores, and in taking my purchases from the stores to the post office. He also found for me a handful of books (mostly a partial set of the 8-volume works of Boris Pil'nyak and a couple of books by Andrei Belyi, some of which I wanted for possible reprinting, those Soviet editions having been out of print for some years). I paid him in rubles the normal official bookstore prices of these books, which were stamped in the books by the bookstores where he had gotten them, and equivalent prices for a couple of items he got for me from friends. In gratitude for all the time he had spent chasing around to the bookstores with me and helping me get my books to the post office, I bought for him at the Beryozka shop (which sells Soviet and imported goods for hard currencies and one of whose three self-proclaimed functions is to serve foreigners who wish to get generally unavailable items or Soviet products at much reduced prices as gifts for relatives and friends) a good German tape recorder, some tape, and, as I remember, an electric razor. Just before I left, he joyfully announced he was engaged and would soon be married. So I got him some imported cigarettes and liquor for the wedding celebration as my wedding gift. I left with him a list of books that would be useful to me, and he gave me lists of records and books I could send him for his library. When I left Moscow from the airport in 1965, the customs inspector wondered about me source for the excellent Soviet edition of Belyi and Pil'nyak from the 1930's, since a couple of them had no bookstore stamps in them. I unhesitatingly told them and even offered them Manashir's address and phone to verify it, since I considered everything to have been done quite properly, and quite openly, as always when I visit the USSR. The customs inspector approved the books and everything else I had with me, and I left.

In the course of 1965-6, Manashir sent me some of the books I had told him I could use. I sent him a few records and a few books, virtually no books in fact, since the titles he wanted did not seem to be available in the West either (mainly some fairly obscure philosophers—he said philosophy reading was his special hobby). This was done by parcel post and certainly was not in any way underhanded.

100-428091-6196

When I again went to the USSR in June, 1966, I took with catalogs of firms that offer books in Russian (Manashir does not know English) to show him what I could get so he could make a more realistic list of what I should send for his library. I brought him some records he wanted, declaring them as gifts when I cleared customs on arrival. It was some time after I got to Moscow that I finally was able to reach Manashir on the phone and meet with him. When we met I gave him the records and visited his single room, where he showed me the books that I had sent him and played some of the music I had sent. He had some books for me that he had not yet sent off, and we decided I could send them off myself, since I had very convenient self-adhesive address labels that I used to send home by parcel post the large quantities of books I was buying in the stores. These books consisted mainly of a set of the now-obsolete 1st edition of the Great Soviet Encyclopedia (the second edition was completed in about 1959). The used book-stores in the USSR only deal in the more current 2nd edition and people who want to get rid of the first edition from their libraries find it difficult to do so and are happy to get anything at all for it. I had checked the previous year with the head customs office and been told there was no reason I couldn't buy a set from a private party and send it home to myself and had sent one home in 1965.

On this trip I had taken just over \$6,000.00 with for book purchases, filmstrips, records. By the time I met Manashir, I had bought rubles at the state bank for all but four of the \$100.00 banknotes I brought in, and had turned in to the state bank all four of the \$1,000.00 banknotes I carried, also for conversion to rubles as soon as they could confirm the notes to be genuine, which they do on anything that large. One \$100.00 note given me by Northern Trust Company was of an older type of US banknote that the Soviet State Bank no longer accepts, so I cashed that at the US Embassy. This left me with \$300.00 in \$100.00 notes and a few dollars of change.

On four trips prior to 1965 (1959, 1960, 1962, 1963) I had brought with me for recording interviews, poetry readings, songs, etc., a tape recorder. There had never been any dispute with the customs about this, but in 1965 when I entered through Leningrad, the inspectors there were taking tape recorders away from all tourists. They took mine too, and although I wasted much time appealing this decision in Leningrad and later in Moscow, where I learned no one's tape recorders were being held in the customs there as people came in, nevertheless I was given back my recorder only when I left. So, even though this time I entered at Moscow, I decided not to bring a recorder with me, but to buy one there if serious need arose. Since on this trip I had finally come at a time when the poet Evtushenko, whose work I publish here in the original, was not travelling abroad or to some distant part of the USSR, I managed to meet him for the first time. We became quite good friends, he invited me to a recital he gave, to his home also, and offered to record some of his poems for me to make available to Russian language classes in America. At this point I decided to use my remaining dollars to buy a good recorder and tape at the Bergozka store for this purpose. When I mentioned this to Manashir, he asked if I could get him a transistor radio there while I was at it. I wasn't sure I had enough money, so we sat down and figured it out. He wrote the figures on a scrap of paper. There was just enough, so I promised him a radio. I left some books that I had just bought in a bookstore with him (this was at his room) and we agreed that on Monday morning, July 4, 1966, he would bring the books he had for me and the books I left there in a taxi and meet me at the main post office, so that I could send them all home, and then we would go to the Beryozka store where I would buy the tape recorder for myself and the radio for him. This is what we did. As I always did to make things more convenient for the post office workers and customers, I left the books there to be wrapped and have postage put on and receipts written in their less busy moments, and told them I'd be back later in the day to pay and get the receipts. We took the taxi on to the store.

In the taxi Manashir asked me if I would also give him the change I would get from my purchase because, he said, he wanted to show off to a friend by buying some cigarettes in the import store that sold food, liquor and cigarettes. I knew this was not legal, and it certainly didn't seem a very rational request, but instead of just giving him a flat "no" as I should have done, I let him argue me into it on the grounds that the amount was so petty (\$17.00—two one-dollar bills, a five and a ten—as it later turned out) that it was in the nature of a souvenir and meaningless. I went into the store and made my purchases while he waited—the tape recorder and tape and a radio. I put the packages in the trunk of the taxi and told the driver to take us to the Metropole Hotel, where I was going to take the recorder and tape and go to my room,

while Manashir was going on from there to his place. As we drove, he reminded me of the change. I had folded it up with the list of purchases mentioned above when the cashier gave it to me in the store, and that is how it was when I gave it to him.

Then two quick surprises followed. Manashir recalled my mention of a young American girl, a Du Bois Club activist from California, who was in Moscow seeking to study in the University outside the normal exchange program. I know his marriage of a year before had broken up rather quickly, but what followed simply dumbfounded me. I was so taken aback by it and felt myself so incapable of assessing it, that I simply avoided raising the subject in the course of further developments. Manashir asked me to introduce him to this girl. When I asked why, he said because he wanted to marry a foreign woman and leave the country. I told him quite bluntly that the idea was insane and that I would have nothing to do with it and would not discuss it further. His proposal was so bizarre and completely out of keeping with all his previously expressed attitudes that in my own mind I could only think of two things: insanity and provocation. In any case, it was quite clear to me that any further friendship or contact with Manashir was to be avoided.

Almost immediately after this dialogue, the sound of what I took to be some emergency vehicle was heard and I thought the taxi driver was pulling to the right and stopping to let it by. But the other vehicle cut in front of ours and stopped and a group of men in civilian dress dashed up to ours, opened all the doors and literally pounced on us. I was so amazed and bewildered that I could hardly talk. I managed to ask what it was all about and they said they were police and were taking us to the local station. The police held us and the cab drove to the station.

At the station Manashir and I were eventually taken into an office where three or four policemen, uniformed and plainclothes, said we were accused of purchasing goods for intended illegal use. They accused Manashir of being a speculator whom they had known for years. They accused me of buying the items in the trunk of the taxi for him to illegally re-sell. They searched him and asked me to give them the contents of my pockets. Nothing I had seemed of great interest, although some effort was made to impress the two civilians who had been brought in from the street and acted as observers to the interrogation (evidently a regular procedure there) with the rarity and value three small books, Soviet editions on historical themes, that were in my briefcase. In fact, as far as I know, they were worth a couple of rubles each. Definitely incriminating, and the only incriminating thing, were the \$17.00 and the scrap of paper listing the items purchased at the Beryozka store, which were found in Manashir's briefcase. I acknowledged that I was guilty of a petty, but nevertheless serious, crime in giving Manashir this money, and repeatedly explained the rest of the situation as I have here. They utterly refused to take my word for it as to the purchases, which is understandable in view of the existence of the list in Manashir's own writing, which I had made up with him to see if there would be enough money to get him a radio. What was difficult for me to understand was the refusal of those doing the interrogation to pay any attention whatever to the several sources of information I tried to give them that would have confirmed what I was saying—The Central Customs Administration, Intourist officials, the head of the English language section of the Foreign Languages Publishing House, Evtushenko, etc. They simply repeated that I was telling children's stories (in effect, fairy tales) and that they would not bother investigating further—it was an open and shut case. There was a good deal of questioning about past exchanges, which I described to them in full. I told them that I had no indication at any time that Manashir had re-sold anything I had given him, and about seeing these things in his room when I visited him. "Fairy tales", "we've been watching him for over two years", etc., was their response. Once or twice they accused me of coming as a guest and corrupting a Soviet citizen. I did not choose to point out that this didn't fit their description of the citizen as one who was an observed criminal (but never before detained by their own word) before I had ever met him. My purchases, taken from the trunk of the taxi, were brought in and posed on a table for a police photographer, in an arrangement of empty boxes and the items themselves and the camera angle used that would make the portable radio, ordinary tape recorder, and 8 or 10 reels of tape look like a mountain. They prepared a summary of the interrogation for signature by Manashir and by me. Their draft had the purchases already in his possession at the beginning. I pointed out that I had put them in the trunk of the taxi with the help of the driver; he had never touched or even seen them; and the taxi was going to my hotel. So the statement was typed up listing the purchases as "intended for" Manashir. I insisted that I would not sign it unless my denial that the tape recorder and tape were for anyone but myself were recorded. This was done and I signed the statement prepared for me. Manashir signed one

prepared for him. They differed as far as I know only in listing on each one what was found in possession of the given person. They asked me if I had the receipts for the books Manashir had given me at the post office. I told them that the books were still there being wrapped. They said they were going to go there and confiscate them. They said they would report the incident to the foreign ministry and the US Embassy. I told them once more, as I had in the course of the discussion, that in view of my political activities and affiliations, nothing would please the US Government more than such a report, and that for the general good I hoped they would skip it, but that of course that was up to them to decide.

I was released, given back the contents of my pockets. I expressed upon leaving my deep sorrow for having knowingly violated the currency regulations, thanked them for their courteous handling of the interrogation and asked them to check out the supporting sources of information I had tried to offer them. Manashir was still in custody when I left the station. I returned to my hotel and called a couple of Soviet friends to tell them what had happened, and otherwise went on about my work, except that I wrote a brief report for Intourist and asked their help.

The following day I was asked to come to the station. Their Lt. Petrov informed me that they had requested that I be ordered to leave the country. The things I had bought were confiscated, they said. I asked if there was any course of appeal on their decision. They said no. The day after that, the 6th, I was asked to come to the Intourist office in the hotel. I went and was told to report to the Office of Visas and Registration. The Intourist staff seemed most helpful and apologetic about the whole thing. I went with a guide to the office and there my visa was cut short to the following day.

I visited Evtushenko the last morning, July 7th, he having been out of town until then. He indicated that had I been able to reach him sooner, he very likely could have convinced those responsible to allow me to finish out my tour, since I certainly had learned my lesson and was deeply sorry for what I had done. Since I was scheduled out on a late afternoon flight, it was too late. (He told me when he was in the USA last autumn that he has checked out the situation and that he thinks everything is straightened out; I hope he's right).

I left Moscow July 7th, having reported nothing to the US Embassy and hoping the whole matter would die quietly.

On August 11th Izvestiya ran, as part of a big general article about misdeeds of foreigners, a rather sensationalized and exaggerated few paragraphs about me. I did my best to play down the whole thing, although it was hardly easy under the circumstances and I had little success.

That I will never repeat my violation of their laws goes without saying. I have a deep love for the Soviet Union, will never forget its role in saving all of us in World War II, its pioneer role in socialist advance. I love its literature especially and do what I can to propagate it here. In order to do this, it is most important that I be able to visit the country fairly regularly. I look forward to a visit in this anniversary year as especially fruitful. I hope and trust the one serious mis-step I made, described above, will not prevent this and future visits.

ROUTE^F IN ENVELOPE

Date: 4/11/67

Transmit the following in _____ (Type in plaintext or code)

Via AIRTEL REGISTERED MAIL
(Priority)

TO : DIRECTOR, FBI (100-428091)

FROM: SAC, CHICAGO (134-46 Sub B)

SOLO
IS-C

Enclosed for the Bureau are the original and three copies and for the New York Office one copy of a letterhead memorandum entitled, "Contemplated Change in Communist Party of Canada Representation on the Staff of the 'World Marxist Review,' Prague, Czechoslovakia."

The information appearing in the enclosed letterhead memorandum was orally furnished on 4/10/67 by CG 5824-S* to SAs WALTER A. BOYLE and RICHARD W. HANSEN.

The enclosed letterhead memorandum has been classified "~~CONFIDENTIAL~~" since unauthorized disclosure of the information set forth therein could reasonably result in the identification of this source who is furnishing information on the highest levels concerning the international communist movement, and thus adversely affecting the national security.

In order to further protect the identity of this source, the enclosed letterhead memorandum has been shown as being prepared at Washington, D. C.

1-904 RFD with Encl.
③-Bureau (Enc. 4) (RM) Encl. destroyed.
1-New York (100-134637) (Enc. 1) (Info) (RM)
1-Chicago

RWH:MDW
(5)

REC-100

6 APR 19 1967

Approved: _____

Sent _____ M Per _____

65 APR 2 1965 Special Agent in Charge

CG 134-46 Sub B

The information set forth in the enclosed letter-head memorandum was developed during the course of a conversation with WILLIAM KASHTAN, General Secretary of the CP of Canada, held in Toronto, Ontario, Canada, on 3/27/67.



UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

In Reply, Please Refer to
File No.

Washington, D. C.

April 11, 1967

DECLASSIFICATION AUTHORITY DERIVED FROM:
FBI AUTOMATIC DECLASSIFICATION GUIDE
DATE 08-13-2011

~~CONFIDENTIAL~~

CONTEMPLATED CHANGE IN COMMUNIST PARTY OF CANADA
REPRESENTATION ON THE STAFF OF THE "WORLD MARXIST
REVIEW," PRAGUE, CZECHOSLOVAKIA

A source, who has furnished reliable information
in the past, in early April, 1967, advised as follows:

William Kashtan, General Secretary, Communist Party
of Canada (CPC), recently indicated that the CPC was now
making plans to replace Alfred Dewhurst, the Party's present
representative on the staff of the "World Marxist Review,"
official theoretical organ of the international communist
movement, which has headquarters in Prague, Czechoslovakia.
The individual currently being considered as Dewhurst's
replacement is Bruce Magnusson, a current CPC functionary.
Kashtan further noted that the above planned changes in per-
sonnel on the staff of the "World Marxist Review" would not
take place immediately.

This document contains neither recommendations nor
conclusions of the FBI. It is the property of the
FBI and is loaned to your agency; it and its con-
tents are not to be distributed outside your agency.

~~CONFIDENTIAL~~

Group 1
excluded from automatic
downgrading and
declassification

100-428091-6197
ENCLOSURE

~~CONFIDENTIAL~~

DECLASSIFICATION AUTHORITY DERIVED FROM:
FBI AUTOMATIC DECLASSIFICATION GUIDE
DATE 08-13-2011

1 - Mr. R. C. Putnam

(IS) 100-428091

Date: April 18, 1967

To: Director
Bureau of Intelligence and Research
Department of State

From: John Edgar Hoover, Director

Subject: COMMUNIST PARTY OF CANADA Solo

The following was supplied by a source which has furnished reliable information in the past.

The Communist Party, USA, has been advised that the Communist Party of Canada (CPC) is now making plans to replace Alfred Dewhurst, CPC representative on the staff of the "World Marxist Review," official theoretical organ of the international communist movement which has headquarters in Prague, Czechoslovakia. Bruce Magnusson, CPC functionary, is being considered as the individual who will replace Dewhurst. *Re: CP*

1 - Director
Central Intelligence Agency

REC-41

100-428091-6198

Attention: Deputy Director, Plans

3 APR 19 1967

RCP:seq (5)

NOTE:

CG 5824-S* received the above information from William Kashtan, General Secretary, CPC, on visit to Canada 3/27/67. Classified "~~Confidential~~" since unauthorized disclosure of this information could reveal identity of source who is of continuing value and such revelation could result in damage to the national defense. [redacted] being advised by separate cover. Data extracted from Chicago airtel 4/11/67 captioned "Solo, IS - C."

b7D

Tolson _____
DeLoach _____
Mohr _____
Wick _____
Casper _____
Callahan _____
Conrad _____
Felt _____
Gale _____
Rosen _____
Sullivan _____
Tavel _____
Trotter _____
Tele. Room _____
Holmes _____
Gandy _____

BY COURIER SVC.

20 APR 19

COMM-FBI

59 APR 26 1967

MAIL ROOM ☐ TELETYPE UNIT ☐

~~CONFIDENTIAL~~

REC'D DE LOACH

APR 13 1967

W.C. 1/5

Legat, Ottawa

4/18/67

Director, FBI (100-428091)

1 - Mr. R. C. Putnam

C
File
1
~~COMMUNIST PARTY OF CANADA~~
~~INTERNAL SECURITY - CANADA~~

There are enclosed three copies of a letterhead memorandum classified "~~Confidential~~" and captioned "Communist Party of Canada."

Promptly furnish a copy of the enclosed memorandum to your source in the [redacted] Your source should be cautioned that it is essential that no distribution or use of our intelligence information is undertaken which would be likely to jeopardize the security of our source.

b7D

Enclosures - 3

1 - Foreign Liaison Unit (Route through for review)

RCP:seq (5)

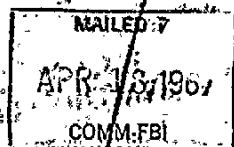
NOTE:

See LHM captioned "Communist Party of Canada" dated 4/17/67, prepared by RCP:seq.

ENCLOSURE

REC 51

100-428091-62199



10 APR 19 1967

FBI

ST-100

DEPT. OF JUSTICE

APR 18 1967

Tolson _____
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APR 25 1967

MAIL ROOM ☐ TELETYPE UNIT ☐

~~CONFIDENTIAL~~

DECLASSIFICATION AUTHORITY DERIVED FROM:
FBI AUTOMATIC DECLASSIFICATION GUIDE
DATE 12-10-2011

April 17, 1967

1 - Mr. R. C. Putnam

RE: COMMUNIST PARTY OF CANADA

The following was supplied by a source which has furnished reliable information in the past.

Canada
The Communist Party, USA, has been advised that the Communist Party of Canada (CPC) is now making plans to replace Alfred Dewhurst, CPC representative on the staff of the "World Marxist Review," official theoretical organ of the international communist movement which has headquarters in Prague, Czechoslovakia. Bruce Magnusson, CPC functionary, is being considered as the individual who will replace Dewhurst.

pen
100-428091
1 - Foreign Liaison Unit *detached*

RCP:seq (6) *seq*

Original and two to Legat, Ottawa, one copy of which is to be given to b7D

NOTE:

CG 5824-S* received the above information from William Kashtan, General Secretary, CPC, on visit to Canada 3/27/67. Classified "~~CONFIDENTIAL~~" since unauthorized disclosure of this information could reveal identity of source who is of continuing value and such revelation could result in damage to the national defense. State and CIA being advised by separate cover. ~~CONFIDENTIAL~~ Data extracted from Chicago airtel 4/11/67 captioned "Solo, IS - C."

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Mohr _____
Wick _____
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Callahan _____
Conrad _____
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Sullivan _____
Tavel _____
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Tele. Room _____
Holmes _____
Gandy _____

F140
59 APR 25 1967

MAIL ROOM ☐ TELETYPE UNIT ☐

100-428091-*6199*
ENCLOSURE

UNITED STATES GOVERNMENT

Memorandum

TO : Director, FBI (100-428091) DATE: April 20, 1967

FROM : Legal Attache, OTTAWA (105-684) (P)

SUBJECT: COMMUNIST PARTY OF CANADA
IS-CANADA

Reference: LHM dated 4/17/67 at Washington, D.C.

Dissemination, as outlined below, was made on dates indicated to foreign agencies listed.

xx ☐ one copies of re LHM

☐ Pertinent information from

Name and Location of Agency

Date Furnished

4/20/67

b7D

3 - Bureau
(1 - Liaison Section)
1 - OTT
MLI:jl
(4)

100-428091-
NOT RECORDED

8 APR 24 1967

NAT. INT. SEC.

57 APR 26 1967

UNITED STATES GOVERNMENT

Memorandum ROUTE IN ENVELOPE

TO: Mr. Conrad *KS*

DATE: April 17, 1967

FROM: C. F. Downing *CFD*

SUBJECT: SOLO
INTERNAL SECURITY - C

Tolson _____
DeLoach _____
Mohr _____
Wick _____
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Gale _____
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Sullivan _____
Tavel _____
Trotter _____
Tele. Room _____
Holmes _____
Gandy _____

Captioned case involves the Bureau's highly valuable confidential informant NY 694-S* who has been receiving communications transmitted to him by radio.

On 4/17/67, transmissions were heard by the Bureau's radio station at Midland at scheduled times and frequencies but no messages were transmitted.

ACTION:

For information.

- 1 - Mr. Conrad
- 2 - Mr. Sullivan (Attention: Mr. J. A. Sizoo, Mr. R. C. Putnam)
- 1 - Mr. Downing
- 1 - Mr. Newpher
- 1 - Mr. Paddock

HS
HS:csp *csp*
(7)

EX-110

REC-21

100-428091-6201

4 APR 21 1967

35
65 APR 24 1967

SAC, Chicago (134-46 Sub B)

April 13, 1967

Director, FBI (100-428091)

SOLO
IS - C

REGISTERED MAIL

MAILED 12
APR 15 1967
COMM-FBI

Attached is the translation which you requested by ^{airtel}~~letter~~
dated 4/6/67.

The contents thereof, where pertinent, must be reported
under appropriate captions and afforded whatever investigative
attention is necessary.

Disposition of the foreign language material submitted in
this connection is set forth below:

Returned herewith.

Tolson _____
DeLoach _____
Mohr _____
Wick _____
Casper _____
Callahan _____
Conrad _____
Felt _____
Gale _____
Rosen _____
Sullivan _____
Tavel _____
Trotter _____
Tele. Room _____
Holmes _____
Gandy _____

1 - New York (100-134637) - Enclosure.

1 - Mr. Sullivan (Attn.: Internal Security Section), sent direct
with enclosure.

RAV:11b
(6)

100-428091-

Enc. (3)

NOT RECORDED

6 APR 18 1967

65 APR 19 1967

TELETYPE UNIT ☐

TRANSLATION FROM ITALIAN

UNITED STATES IMMIGRATION LAW OFFICE is seeking a fast and efficient typist. She must be perfectly fluent in Italian (English is not necessary). Reply in long hand with biography and references to: D'Agostino, Attorney at Law, 1060 Broad Street, Newark, New Jersey 07102, U.S.A.

TRANSLATED BY:

April 11, 1967

ENCLOSURE

b6
b7C

ROUTE IN ENVELOPE

4/6/67

AIRTEL

TO : DIRECTOR, FBI (100-423091)
FROM : SAC, CHICAGO (134-46 Sub B)
SUBJECT: SOLO
IS - C

On 4/6/67 there was received at the LYDIA WHITE drop address in Chicago a letter to CG 5824-S* from WILLIAM KASHTAN, General Secretary of the Communist Party (CP) of Canada. This letter was postmarked 4/4/67 at Toronto, Canada, and the letter itself was dated 4/3/67. Set forth below is the text of this letter:

"Dear Michael:

"Hope your return home was pleasant. Am now relieved from jury duty and trying to return to the normal life. However it was a useful experience. Enclosed find an item Stan R. Asked me to look into. Our Italian friends here are interested in knowing more about the red circled ad, with particular reference to the person named. If there is anything you can do to help out, it would be appreciated. Am also enclosing a brief memo I prepared recently on Canadian control and public ownership.

"As ever,

"B"

- (3) - Bureau (Encls. 5) (RM)
1 - New York (100-134637) (Encls. 2) (RM)
1 - Chicago

WAB:mes
(5)

*Let to Cap
w/Encls (3) (2 tr), 1 file
4-13-67
RAV:llb
T.H.Y. - Enc.
(Fen ret, Lwr)*

CG 134-46 Sub B

In the above letter the reference to STAN R. is to STANLEY B. RYERSON, a member of the National Executive Committee of the CP of Canada and Editor of the "Marxist Quarterly." The enclosed item concerning which STANLEY RYERSON was inquiring was a copy of a page from an Italian language newspaper "Corriere Canadese" dated 3/11/67. A Xerox copy of this enclosure is enclosed herewith for the Bureau. The Bureau is requested to have the Cryptanalysis-Translation Section of the FBI Laboratory prepare a full translation of this circled advertisement and furnish copies thereof to Chicago and New York.

Also enclosed with KASHTAN's letter was a copy of KASHTAN's memo to the Central Executive Committee of the CP of Canada dated 2/9/67. The contents thereof have been incorporated into a LHM suitable for dissemination. It is believed that the information set forth in the enclosed LHM may be furnished to the [redacted] without jeopardizing the Solo informant. Therefore, there is enclosed herewith the original and three copies for the Bureau and one copy for New York of an LHM entitled, "COMMUNIST PARTY OF CANADA." b7D

In view of the absence of CG 5824-S* from Chicago, the items furnished by KASHTAN to CG 5824-S* by this letter will be held for him until his return to Chicago, which is expected on 4/10/67. At that time these documents will be turned over to CG 5824-S* for transmission to the National Office of the CP, USA.

To further protect the identity of the source, the enclosed LHM has been shown as being prepared in Washington, D.C.

The enclosed LHM has been classified "~~confidential~~" since the unauthorized disclosure of the information set forth therein could reasonably result in the identification of this source, who is furnishing information on the highest level concerning the international communist movement, thus adversely affecting the national security.

ROUTE IN ENVELOPE

FBI

Date: 4/10/67

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL REGISTERED MAIL
(Priority)

TO : DIRECTOR, FBI (100-428091)

FROM: SAC, CHICAGO (134-46 Sub B)

SOLO
IS-C

Enclosed herewith for the Bureau are three copies and for New York one copy of an informant's statement captioned, "Discussions with William Kashtan, General Secretary, and Norman Freed, Educational Director, Communist Party of Canada, at Toronto, Canada, March 27 through 28, 1967."

The information set forth in the enclosed informant's statement was orally furnished on 4/2 and 3/67 by CG 5824-S*, who has furnished reliable information in the past, to SAs WALTER A. BOYLE and RICHARD W. HANSEN.

As the Bureau is aware, CG 5824-S* and CG 6653-S traveled to Toronto, Ontario, Canada, on 3/27/67 for the purpose of holding some discussions requested by WILLIAM KASHTAN, General Secretary, Communist Party of Canada (CPC). The sources departed Chicago by air at approximately noon, Monday, 3/27/67, and arrived in Toronto during the late afternoon of that same day. They remained overnight and departed Toronto during the afternoon of Tuesday, 3/28/67, by air for NYC. While in Toronto, CG 5824-S* and his wife, CG 6653-S, stayed at the King Edward Sheraton Hotel. When the sources arrived in Toronto, CG 5824-S* had his wife, CG 6653-S, contact NORMAN FREED, Educational Director, CPC, via a pay phone. FREED, who immediately recognized the

1-914 9-20 ENCLOSURE
③-Bureau (Enc. 5) (RM)
1-New York (100-134637) (Enc. 3) (Info) (RM)
1-Chicago
RWH:MDW
(5)

REC 31

6 APR 19 1967

EX 109

Approved: *sh mwt*

Sent _____ M Per _____

65 APR 25 1967 Special Agent in Charge

CG 134-46 Sub B

voice of CG 6653-S, noted that he had been awaiting the arrival of CG 5824-S* and based on previous arrangements FREED, his wife, WILLIAM KASHTAN and his wife proceeded to the downtown Toronto area and met with the Chicago sources.

According to CG 5824-S*, it became apparent early in the meeting with KASHTAN and FREED that there was no real urgent reason for such a meeting, but since it had been a rather extensive period of time since KASHTAN had had personal discussions with representatives of the Communist Party, USA (CP, USA), he merely desired that such contacts be renewed.

According to CG 5824-S*, during their stay of approximately one day in Toronto, he observed nothing which caused him to believe that the Canadian Government authorities had become, in anyway, aware of his presence or was there anything which might indicate he had been compromised. He advised that he had carried nothing with him among his personal effects which would label him as a subversive and that they had no problems, whatsoever, with Canadian Immigration authorities. He added, however, that it had been fortunate that he had taken precaution before going to Canada because on his return, U.S. Customs Agents now stationed at the Toronto Airport did conduct a close and strict inspection of the baggage and personal effects of all passengers en route to the U.S. He noted that once Customs officials had checked a passenger's baggage, it was sealed and no further Customs clearance was required upon arrival in the U.S. The source noted that the Bureau might be interested in this information as to the strict type of U.S. Customs inspection in case it had an interest in other individuals who might be undertaking similar air transportation from major Canadian ports.

According to CG 5824-S*, while there had been nothing of an outstanding intelligence nature gathered during his contacts with the CPC representatives in Canada, the trip did have one good result and that was to keep this phase of the Solo apparatus in good operating condition. The general summary of the pertinent discussions held in Toronto 3/27-28/67 is set forth in the enclosed informant's statement.

Also enclosed herewith for the Bureau and New York is one Xerox copy each of the following items referred to in the enclosed informant's statement:

CG 134-46 Sub B

1) 3-page document entitled, "On Some Recent Developments in China," by WILLIAM KASHTAN;

2) February, 1967 issue of "Viewpoint," discussion bulletin issued by the Central Executive Committee, CPC, Vol. 4, No. 1, Toronto, Ontario.

ROUTE IN ENVELOPE

Date: 4/20/67

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL _____
(Priority)

TO : DIRECTOR, FBI (100-428091)
 FROM : SAC, CHICAGO (134-46 Sub B)
 SUBJECT: SOLO
 IS - C

*5-Perkins (cont)
 Kitzler*

Enclosed herewith for the Bureau are three copies, and for New York one copy, of an informant's statement captioned "DESIGNATION OF FELIX OJEDA, COMMUNIST PARTY OF PUERTO RICO, AS MEMBER OF COMMUNIST PARTY, USA MAY DAY 1967 DELEGATION TO USSR."

The information set forth in the enclosed informant's statement was orally furnished during the period 4/14-18/67 by CG 5824-S*, who has furnished reliable information in the past, to SAs RICHARD W. HANSEN and WALTER A. BOYLE.

The New York Office was previously advised by telephone call of the information set forth in the enclosed informant's statement and a separate communication, in accordance with Bureau instructions, is being sent to the San Juan Office on this matter.

- 1-904 94D with Luch*
- ③ - Bureau (Encls. 3) (RM)
 - 1 - New York (100-134637) (Encl. 1) (RM)
 - 2 - Chicago
 - 1 - A) 134-46 Sub B-119C

REG 22

100-428091-6203

RWH:mes
 (6)

6 APR 26 1967

Approved: *[Signature]*
 Special Agent in Charge

Sent _____ M Per _____

65 APR 23 1967

DESIGNATION OF FELIX
OJEDA, COMMUNIST PARTY OF
PUERTO RICO, AS MEMBER OF
COMMUNIST PARTY, USA MAY DAY
1967 DELEGATION TO USSR

On April 14, 1967, Gus Hall, General Secretary, Communist Party (CP), USA, stated that it had been decided that Felix Ojeda, a long-time member of the CP of Puerto Rico, would be included in the CP, USA May Day 1967 Delegation going to the Soviet Union. Hall wanted the Russians informed of Ojeda's inclusion in this delegation and all other necessary previous arrangements made for him such as the securing of a visa. According to Hall, Ojeda is an old and sick comrade and he would like to see him get some medical treatment and rest in the Soviet Union.

On April 18, 1967, Helen Winter of the National Office, CP, USA, indicated that efforts would be made to secure a visa for Ojeda through the Soviet Embassy in Washington, D.C.

100-428091-6203

ROUTE IN ENVELOPE

Date: 4/21/67

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL

(Priority)

TO : DIRECTOR, FBI (100-428091)
 FROM : SAC, NEW YORK (100-134637)
 SUBJECT: SOLO
 IS-C

S- R B [Signature]

ReBu airtel 1/19/67, and Chicago airtel 1/12/67, captioned, "CG 5824-S*" advising Bureau and NYO that the Securities and Exchange Commission is looking into the private stock transactions of CG 5824-S*, CG 6653-S and NY 694-S*.

The Bureau and Chicago have been advised of SEC and Federal Grand Jury, SDNY investigation being conducted concerning manipulation between 1963 and 1966, of 9 stocks listed on the American Stock Exchange. Among the 9 stocks are Petron Electronics and Hercules Galion. Results have been reported in the case entitled, "FELIX ALDERISIO, aka; AR" (OO: Chicago). As a result of liaison with SEC and USA, SDNY, information has been indirectly and discreetly obtained which may bear directly on the Solo operation.

Over 9 months ago, the SEC became aware that prices of 9 stocks were being manipulated. Apparently individual stock brokers both in Chicago and NY with large amounts of stock would put out "buy" reports on the stock. Once the stocks were driven up in price, the brokers and their "friends" would sell out at a substantial profit and the stock then would plummet in price.

Memo
 C.D. Brennan
 to W.E. Sullivan
 4-21-67
 1-Bureau (100-428091) (RM)
 1-Chicago (134-46 Sub B) (RM)
 1-NY (100-134637)
 JJK:rmv
 NY 66 (6)
 4-25-67
 R.P. Drake

REC-22

100-428091-6204

6 APR 26 1967

Approved: [Signature]

Special Agent in Charge

Sent _____ M Per _____

65
CC CUB

NY 100-134637

The SEC is aware that one or two banks were involved in this scheme. They recommended the stocks to their customers and friends. Bank officers also bought the stocks themselves. The SEC has now focused its investigation on the Bank of Lincolnwood in Chicago. Attorney [redacted] (SEC) has stated that most of the manipulated stocks were widely bought, sold or recommended by one or two officers in the Lincolnwood Bank who "must have been" closely tied into or associated with the stock scheme. [redacted] stated the answers he has received from official inquiries at the Lincolnwood bank "stink".

b6
b7C

[redacted] stated that [redacted] at Lincolnwood, bought large blocks of Hercules Gallon. [redacted] lawyer claimed that [redacted] did not buy this stock for his own account but for "friends". The lawyer was vague about the identity of these "friends". The SEC is vigorously probing [redacted] the bank and his "friends" who bought the stock. SEC is also thoroughly investigating other bank officers and their stock dealings. The names of [redacted] of Lincolnwood and [redacted] of Lincolnwood, were emphasized. [redacted] was described as "hoodlum connected" through a cab company he owns.

b6
b7C

[redacted] stated he hopes to get "one or two" indictments out of the Bank of Lincolnwood and with luck he may get up to 15 or more indictments as a result of the SEC overall investigation. On 4/17/67, he stated he was "stepping up" his investigation of the Bank of Lincolnwood and was reviewing stock purchases of all [redacted] and [redacted] "friends and in-laws". [redacted] has previously stated that relatives are most frequently used in such manipulations.

b6
b7C

[redacted] stated he does not believe any indictments will be handed down for another 5 to 7 weeks.

Attention is drawn to the fact that SEC and the USA, SDNY, are furnishing general information on their stock investigation insofar as it relates to the hoodlums or other

NY 100-134637

phases of the Bureau's jurisdiction. They do not volunteer much data on strictly SEC aspects of the case. To date, the names of informants have not been mentioned nor have their names appeared on any lists which have been made available or observed.

Particular attention is directed to the fact that [redacted] stated he has an excellent informant in the Bank of Lincolnwood who is furnishing detailed information on the bank officers. This obviously precludes any discussion of this matter with our informants.

b6
b7C

A review of investigative techniques close to informants indicates that CG 5824-S*, CG 6653-S and NY 694-S* may have had inside knowledge of manipulations in both Pemtron Electronics and Hercules Galion. In fact they appear to have been part of a syndicate which was involved in manipulations and independently also purchased stock on their own in thousand share lots.

Bureau and Chicago will be kept advised as more information is developed.

Chicago should advise the Bureau of any further information it now possesses, or may develop, concerning this matter, particularly as to the extent to which our informants may be involved.

ROUTE IN ENVELOPE

FBI

Date: 4/21/67

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL _____
(Priority)

TO : DIRECTOR, FBI (100-428091)
 FROM : SAC, NEW YORK (100-134637)
 SUBJECT: SOLO
 IS-C

ReNYteletype, 4/20/67.

On 4/21/67, NY 694-S* furnished further information concerning his discussions with "VLADIMIR," the Soviet security representative in Moscow.

Following a comment by NY 694-S* that it is becoming difficult to use open telephone booths in New York City, VLADIMIR stated that one reason why the telephone booths are now open is to discourage dope pushers, who have been accustomed to leaving their packages for pickup in such telephone booths.

Referring to the walkie talkie operation, wherein NY 694-S* sends a signal to the Soviets at the Soviet UN Building at 67th Street, VLADIMIR stated that it was a difficult operation in that police are in the area in the morning and at night. He said that the source's signals lately have been rather weak and that he was not sure whether the source's or the Soviets' "machinery" was at fault. He said it was a serious mistake to have the Soviet UN Mission where it is, since it is too close to the FBI and the local police headquarters.

1-904 940
 3-Bureau (100-428091) (RM)
 1-Chicago (134-46 Sub B) (AM RM)
 1-NY 134-91 (INV) (41)
 1-NY 105-14931-Sub C (TALANOV) (341)
 1-NY 100-134637 (41)

ACB:eac
 (8)

EX 106

6 APR 26 1967

Approved: *[Signature]*
 Special Agent in Charge

Sent _____ M Per _____

65 APR 28 1967

NY 100-134637

VLADIMIR commented that the FBI may state publicly that they have only 6,000 agents, but the Soviets are well aware of the fact that there are at least 18,000 FBI agents.

When NY 694-S* complained that the signal doll that he uses in connection with the walkie talkie operation possibly might be at fault, in that the whistle therefrom is not as loud as it used to be, VLADIMIR stated he would attempt to obtain a toy animal that would emit whistles similar to those that emitted from the informant's toy doll. Subsequently he brought a dozen types of toy animals to the informant, the whistles from each, however, proving to be too weak. He then produced from his pocket a whistle which he suggested that the informant use on the next walkie talkie contact. He requested that the Soviets be advised when the source would test the whistle and he stated that the Soviets would advise by radio whether the signals from the whistle were strong enough.

Regarding the Solo radio schedule, VLADIMIR said that before the end of April, either on a Monday or a Friday, the radio schedule for May would be transmitted by radio. Later, the schedule for the rest of the year would be sent to the source by radio.

With respect to the "Wall Street tape", a signal operation that has been used only once or twice in the past several years, and which is regarded as hazardous in that it involves placing tape on the wall of a subway stairway, VLADIMIR said that the Wall Street tape operation would be replaced by the television signal described in referenced teletype.

In the event that communications between the Soviet apparatus and the source should "break down", the source may make contact with the Soviet apparatus by delivering a message for them to NIKOLAI FEDORENKO, Permanent Representative of the Soviet Mission to the UN, to be delivered to FEDORENKO by a trusted member of the CPUSA leadership.

VLADIMIR took exception to the fact that source and CG 5824-S* maintain contact by telephone in telephone

NY 100-134637

booths. He said he didn't "like the idea". The source said they had been to date successful in such an operation and pointed to the fact that a Telephone Company representative testifying before a Congressional Committee stated that it was most difficult to tap a telephone booth. VLADIMIR disagreed most vehemently. He said any telephone, in a telephone booth or otherwise, can be tapped, and that any call continuing for more than two minutes can be traced, with the result that the police could be at a telephone booth and make an arrest in very few minutes.

Referring to telephone booths, VLADIMIR stated that there is now a device by which a door in a telephone booth can be locked automatically from a remote control, as a result of which the person in the booth cannot escape. When the source indicated amusement upon hearing this, VLADIMIR told him it was no laughing matter and that it was true. VLADIMIR mentioned that a room can be bugged by "the enemy" using a device which, upon being pointed from a distance at a room or building, can pick up conversation therein. He said there are transmitters, ingenious in character, that can be attached to cars and even to people.

VLADIMIR was interested concerning how a message transmitted by radio by the Soviets was delivered to GUS HALL. Informant stated that if CG 5824-S is in New York, he personally delivers the message to HALL, and if not, "someone from our apparatus" may give it to HALL's wife.

VLADIMIR was interested in what disposition HALL makes of the messages. The source informed him that HALL, upon reading a message, flushed it down a toilet. VLADIMIR stated that HALL should not do this, but instead should burn the message. In the event that HALL should not burn the message in the presence of the source, the source should take the message away from HALL and himself burn it.

VLADIMIR was interested in whether radio messages were received by the informant using ear phones, a loud speaker or a tape recorder. When the source stated that owing to atmospheric and other interferences, he found it necessary to use ear phones, VLADIMIR stated that he should

NY 100-134637

no longer do so - that the use of ear phones is a "giveaway" in the event of a raid. He said the message should be received on a tape recorder. The source raised the question that in the event of a raid, it would be much more difficult to conceal a tape recorder than ear phones, to which VLADIMIR made no reply.

VLADIMIR was interested in where the radio was kept. The source advised him that it is in a very safe place "in the lower part of Manhattan". VLADIMIR did not press him to know the specific address where the radio is kept.

The Soviet was also interested in knowing where the source kept his codes and gamma pads; where the microtransceiver was kept. The source told him he kept the gamma pad in a device specifically designed to look like a plumbing system and that in the event there should be any danger, the gamma pad could be flushed down a toilet. With regard to the microtransceiver, the source told him it was kept at his mother-in-law's place in the country, 90 miles away from New York. VLADIMIR was of the opinion that there was no security violation involved with respect to the gamma pads and microtransceiver.

VLADIMIR then asked the source how the latter knew whether he was being surveilled or not. Source stated that in the event he should believe himself to be under surveillance, he would walk into a "dead end" and then "back-track". VLADIMIR thought that was a good idea. He stated that in the event that the source should ascertain that he were under surveillance when about to contact the Soviets, the source should drop his eye glasses as a signal that he was being surveilled. VLADIMIR remarked, with regard to FBI surveillances, that if the FBI desires to disrupt a rendezvous and harass the Soviets, the FBI makes its presence conspicuous.

Further information concerning the source's trip abroad will be furnished as soon as possible.

UNITED STATES GOVERNMENT

Memorandum ROUTE IN ENVELOPE

Tolson _____
DeLoach _____
Mohr _____
Wick _____
Casper _____
Callahan _____
Conrad _____
Felt _____
Gale _____
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Sullivan _____
Tavel _____
Trotter _____
Tele. Room _____
Holmes _____
Gandy _____

TO : Mr. W. C. Sullivan

DATE: 4/21/67

FROM : C. D. Brennan

1 - Mr. DeLoach
1 - Mr. Sullivan
1 - Mr. Branigan
1 - Mr. C. D. Brennan
1 - Mr. R. C. Putnam

SUBJECT: SOLO
INTERNAL SECURITY - COMMUNIST

PURPOSE:

This memorandum advises of safe return of NY 694-S* from Solo Mission 23 to the Soviet Union and sets forth results of contacts with Soviet official responsible for Solo Operation.

BACKGROUND:

NY 694-S* departed 4/2/67 and returned late in the evening of 4/18/67. On 4/19-20/67 he advised as follows.

He was in Moscow, Russia, 4/4-17/67. He was extensively interviewed by a Soviet identified as "man in charge of security for the Central Committee," Communist Party of the Soviet Union, with first name Vladimir. Interviews took four hours a day for five days. Source was questioned in detail regarding every phase of Solo Operation since its inception. Source surmised Vladimir was seeking security breaches in the operation. Source was questioned regarding his cover and tested on ability to cipher and decipher messages, which tests source passed satisfactorily.

Vladimir advised interrogation was necessary in cases of all people who have been operated by Soviets for five years since experience has shown that "the enemy" (FBI) always allows such people to work for five years before exposing them. Source was questioned regarding his Soviet contacts, past and present, with obvious intent to discover defects. On fourth day, source stated direction of questioning indicated something was wrong with Soviet security in New York. Vladimir admitted this was true. He indicated a serious problem exists by reason of the fact that criminals

100-428091

REC-22

EX 106

RCP:dmk

(6)

65 APR 28 1967

CONTINUED - OVER APR 26 1967

Director was advised
4/24 -

Memorandum to Mr. W. C. Sullivan
RE: SOLO
100-428091

employ many of the tactics used by the Soviets, such as magnets attached to sinks in barrooms and exchange of bags from one automobile to another, and since the FBI is familiar with such tactics, it could become aware of Soviet intelligence operations using same tactics.

Source was instructed in the use of a new micro-transceiver which allegedly will transmit for a mile in city or countryside. Source is to receive instructions on where to obtain such a device and, when it is obtained, FBI Laboratory personnel will examine it. Source was also told that a new device, not fully described, which will cause horizontal lines to appear on the source's television set on a particular channel at a specific time will be used as a signal in the future. Source was also told that Soviet money for the Communist Party, USA, will be delivered to him 5/20/67, at 9:00 p.m. at the previously agreed upon rendezvous in Westchester County, New York.

Regarding the use of NY 694-S* to obtain American passports for Soviet use, the source pointed out the dangers in such an operation. However, Vladimir indicated that Gus Hall, General Secretary, Communist Party, USA, had not objected to the source engaging in such activity during Hall's visit to the Soviet Union in the Fall of 1966. Vladimir also suggested that when NY 4309-S* relieves NY 694-S* of some of his work, NY 694-S* should assist the Soviets by locating young people who could help the Soviets. Source should also furnish information, even if only confirmatory, "regarding Vietnam and the war effort." Vladimir indicated that future training meetings between source and himself will be held in communist countries in Europe. Vladimir said the Soviets were very impressed with [redacted] and desired to make personal contact with him 5/27/67, in Canada, when source attends Expo. '67. b7D

OBSERVATION:

Soviets have apparently accepted the use of NY 4309-S* in our operation as a backup for NY 694-S*. We shall closely follow the Soviets' request for young people to be of assistance to them and attempt to have Bureau sources used. Debriefing of informant is continuing consistent with his need for rest because of his heart condition.

ACTION:

For information. You will be kept advised of pertinent developments.

[Handwritten initials: J, B, W, D]

ROUTE IN ENVELOPE

Date: 4/21/67

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL _____
(Priority)

TO: DIRECTOR, FBI (100-428091)

FROM: SAC, NEW YORK (100-134637)

SUBJECT: SOLO
IS - C

Re New York teletype, 4/20/67.

Enclosed herewith for the Bureau are the original and four copies, and for the Chicago Office one copy, of an LHM captioned "7th Congress of the Socialist Unity Party of Germany."

The information set forth in the enclosed LHM was furnished to SAS JOHN F. LANGTRY and ALEXANDER C. BURLINSON by NY 694-S* on 4/20/67.

The enclosed LHM is classified "~~Top Secret~~" since unauthorized disclosure of the information set forth in it could reasonably result in the identification of this source who is furnishing information on the highest level concerning the international Communist movement. Such disclosure could adversely effect the national security.

In order to further protect the identity of this source, the enclosed LHM has been shown to have been prepared at Washington, D.C.

1-904 with [unclear]
3-Bureau (Encls. 5) (RM)
1-Chicago (Encl. 1) (AMRM) (134-46 Sub B)
1-New York (134-91) (Inv) (41)
1-New York

ACB: tmm
(7)

Let to State & CIA
4/27/67
RHH, dmh

REC 28

EX-103

6 APR 26 1967

Approved: [Signature]

Sent _____

M

Per [Signature]

65 MAY 3 1967
Special Agent in Charge

NY 100-134637

The information in the aforesaid LHM was obtained by NY 694-S* while in Moscow between 4/5-17/67, from NIKOLAI MOSTOVETS, Head of the North and South American Section of the International Department of the CCCPSU.



UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

In Reply, Please Refer to
File No.

Washington, D.C.

April 21, 1967

~~TOP SECRET~~

~~TOP SECRET~~

DECLASSIFICATION AUTHORITY DERIVED FROM:
FBI AUTOMATIC DECLASSIFICATION GUIDE
DATE 08-13-2011

Seventh Congress of the Socialist
Unity Party of Germany

A source, who has furnished reliable information
in the past, in April, 1967, advised as follows:

During April, 1967, an important functionary
of the International Department of the Central Committee
of the Communist Party of the Soviet Union (CCPSU) made
comments regarding the Seventh Congress of the Socialist
Unity Party of Germany, scheduled to be held at East
Berlin between April 17 and 22, 1967.

According to the aforesaid functionary, Cuba has
served notice on the Socialist Unity Party of Germany that
it would not send a representative to the above mentioned
Congress. The Congress will "not go well" since there is
not full agreement among the European Communist Parties
with regard to matters to be discussed there. The CPSU
is so concerned about the Congress that it has sent as
representatives thereto, Leonid Brezhnev, Boris Ponomarev
and "the secretary of the Ukrainian Party."

Antonin Novotny of Czechoslovakia did not attend
the Congress.

There is still deep disagreement between the
Czechoslovakians and the East Germans regarding the
Hallstein Plan (West Germany's recognition of some Communist
countries, but not of East Germany).

~~TOP SECRET~~

~~TOP SECRET~~

GROUP 1
Excluded from automatic
downgrading and
declassification

This document contains neither recommendations nor
conclusions of the FBI. It is the property of the FBI and
is loaned to your agency; it and its contents are not to be
distributed outside your agency.

100-428091-6207

ROUTE IN ENVELOPE

Date: 4/21/67

Transmit the following in _____

(Type in plaintext or code)

Via AIRTEL

REGISTERED MAIL

(Priority)

TO: DIRECTOR, FBI (100-428091)
 FROM: SAC, NEW YORK (100-134637)
 SUBJECT: SOLO
 IS - C

REC 29

R P Johnson (cont)

Holtell
interview
at 11:00 AM

Re New York teletype, 4/20/67.

Enclosed herewith for the Bureau are the original and four copies, and for the Chicago Office one copy, of a LHM, captioned "Deterioration of Relations Between Fidel Castro and Soviet Leaders."

The information set forth in the enclosed LHM was furnished to SAs JOHN F. LANGTRY and ALEXANDER C. BURLINSON by NY 694-S* on 4/21/67.

The enclosed LHM is classified "~~Top Secret~~" since unauthorized disclosure of the information set forth therein could reasonably result in the identification of this source, who is furnishing information on the highest level concerning the international Communist movement. Such disclosure could adversely effect the national security.

In order to further protect the identity of this source, the enclosed LHM reflects that it has been prepared at Washington, D. C.

- 1-904 940 info
 3 - Bureau (Enc. 5) (RM)
 1 - Chicago (134-46 Sub B) (Enc. 1) (AMRM)
 1 - New York (134-491) (INV) (41)
 1 - New York
 With House & AG

ACB:jaw
 (7)

Let to State & CIA

REC 29

EX-103
100-428091-6208

6 APR 26 1967

Approved: 55

Sent _____

M

Per _____

65 MAY 11 1967 Special Agent in Charge

NY 100-134637

The information in the enclosed LHM was obtained by NY 694-S* on April 17 from NIKOLAI MOSTOVETS, Head of the North and South American Section of the International Department of the Central Committee of the Communist Party of the Soviet Union.



In Reply, Please Refer to
File No.

DECLASSIFICATION AUTHORITY DERIVED FROM:
FBI AUTOMATIC DECLASSIFICATION GUIDE
DATE 12-10-2011

UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

Washington, D. C.

April 21, 1967

~~TOP SECRET~~

Deterioration of Relations Between
Fidel Castro and Soviet Leaders

A source, who has furnished reliable information in the past, in April, 1967, advised as follows:

In April, 1967, a leading functionary of the International Department of the Central Committee of the Communist Party of the Soviet Union (CCPSU) is reported to have made the following comments regarding Fidel Castro's relations with the Communist Party of the Soviet Union (CPSU):

The relations between Fidel Castro and the CPSU are worse than ever. Castro has completely isolated himself from the CPSU, so much so, that when N. V. Andropov, member of the Central Committee in charge of Socialist Countries, went to Cuba to see Castro, the latter refused to see him. As an excuse, Castro stated that he was very busy harvesting the sugar cane crop and could not leave such important work. This attitude of Castro's shocked the CPSU and, as a result, relations between Castro and the CPSU became worse.

Castro has been demanding that Leonid Brezhnev come to Cuba to visit him. Brezhnev diplomatically declined to go to Cuba, advising Castro that he was extremely busy. Castro refused to accept Brezhnev's excuse, ordered that a palatial mansion be prepared for a visit by Brezhnev, and then informed Brezhnev that he must come to Cuba. Brezhnev, as yet, has not gone and it does not appear that he intends to go to Cuba.

~~TOP SECRET~~

~~Group 1~~

~~Excluded from automatic
downgrading and
declassification~~

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ENCLOSURE

100-428091-6208

~~TOP SECRET~~

Deterioration of Relations
Between Fidel Castro and
Soviet Leaders

Castro is most anxious that Cuba become a member of the Warsaw Pact Bloc, but it will not be permitted to do so.

Castro considers that there are only five important powers in the world today; the Soviet Union, the United States, North Korea, North Vietnam, and Cuba. Castro includes North Korea in this category for no reason other than that the North Korean General Secretary of the North Korean Communist Party (CP) agrees with Castro's position regarding Venezuela. Castro is still adamant in his position with regard to Venezuela and refuses to recognize the Venezuelan CP. His position is diametrically opposed as to that of the Venezuelan CP. As a matter of fact, he does not recognize any of the CPs in Latin America and South America. His position continues to be that "there must be a revolution, starting from the mountains."

Castro is in contact with the General Secretary of only one CP--Rodney Arismendi, General Secretary of the Uruguayan CP. He maintains contact with Arismendi only because of personal respect for this individual.

Castro does not maintain good relations even with his brother, Raul, who, although still Defense Minister of Cuba, does not currently enjoy the same position which he had in the past in the Cuban Armed Forces. The Castro family, Fidel, Raul, and their sister, are peculiar people. The sister left Cuba and went to the United States where she excoriated her brother, Fidel. Such family disloyalty is not understandable. The Soviets would not be surprised if Castro "might do what his sister did." Despite the estranged relations between Castro and the CPSU, relations between the Soviet and Cuban governments continue on an even plane, as they must. The Soviet government continues to give Cuba aid amounting to over one hundred million dollars a year.

~~TOP SECRET~~

~~TOP SECRET~~

~~TOP SECRET~~

Deterioration of Relations
Between Fidel Castro and
Soviet Leaders

Actually, the Soviet government is subsidizing six million Cubans.

Castro was never a Marxist-Leninist and never will be. For the truth of the matter is he announced himself to be a Marxist-Leninist two days after the battle of the Bay of Pigs. He is a petty bourgeois intellectual, an adventurer and romanticist, an individual who has "tantrums" if he cannot have his own way. When he makes a public statement intended for the outside world, he speaks before a student audience at Havana University who applaud him no matter what he says.

Castro's personal life is reprehensible. Nobody knows where he is at any given time. It is known that he has "women" all over the city.

The Soviets have information to the effect that Ernesto "Che" Guevara, a Cuban functionary, is currently in the central part of Central America.

~~TOP SECRET~~

~~TOP SECRET~~

ROUTE IN ENVELOPE

Date: 4/21/67

Transmit the following in _____
(Type in plaintext or code)

Via AIRTEL _____
(Priority)

TO: DIRECTOR, FBI (100-428091)

FROM: SAC, NEW YORK (100-134637)

SUBJECT: SOLO
IS - C

Re New York teletype, 4/20/67.

Enclosed herewith for the Bureau are the original and four copies, and for the Chicago Office one copy, of an LHM captioned "Meeting of European Communist Parties at Karlovy Vary, Czechoslovakia, Between April 24 - 27, 1967."

The information set forth in the enclosed LHM was furnished to SAS JOHN F. LANGTRY and ALEXANDER C. BURLINSON by NY 694-S* on 4/20/67.

The enclosed LHM is classified "~~Top Secret~~" since unauthorized disclosure of the information set forth in it could reasonably result in the identification of this source who is furnishing information on the highest level concerning the international Communist movement. Such disclosure could adversely effect the national security.

In order to further protect the identity of this source, the enclosed LHM has been shown to have been prepared at Washington, D.C.

- 1-904 9/4/67 with level REC-29
- 3-Bureau (Encls. 5) (RM)
- 1-Chicago (134-46 Sub B) (Encl. 1) (AMRM)
- 1-New York (134-91) (Inv) (41)
- 1-New York

ACB: tmm
(7)

6 APR 26 1967

Approved: *[Signature]*
Special Agent in Charge

Sent _____ M Per _____

65 MAY 3 1967

NY 100-134637

The information in the aforesaid LHM was obtained by NY 694-S* while in Moscow between 4/5-17/67, from NIKOLAI MOSTOVETS, Head of the North and South American Section of the International Department of the CCCPSU.



UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

Washington, D.C.

April 21, 1967

In Reply, Please Refer to
File No.

~~TOP SECRET~~

Meeting of European Communist
Parties at Karlovy Vary,
Czechoslovakia, Between
April 24 - 27, 1967

A source, who has furnished reliable information
in the past, in April, 1967, advised as follows:

During April, 1967, an important functionary
of the International Department of the Central Committee
of the Communist Party of the Soviet Union (CCPSU) stated
there would be a meeting of European Communist Parties
at Karlovy Vary, Czechoslovakia, scheduled to be held
between April 24 - 27, 1967, the purpose of this meeting
being to oppose North Atlantic Treaty Organization (NATO)
strength in Europe.

According to the aforesaid functionary, the
Scandinavian Parties (Iceland, Denmark, Norway and Sweden)
had first indicated that they would not send representatives
to the meeting, but later indicated that they would, but may
not commit themselves to signing any agreements. Austria
and Rumania had indicated they would not sign any agreement
opposing NATO.

According to the source, the Communist Party,
United States of America (CP,USA) had solicited the opinion
of all European Communist Parties with respect to the
advisability of the CP,USA's sending a representative to
this meeting. The CPSU refused to commit itself in this
regard, but indicated that it believed the British CP would

~~TOP SECRET~~

~~GROUP 1~~

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downgrading and
declassification

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distributed outside your agency.

ENCLOSURE

100-428641-

6209

Meeting of European Communist
Parties at Karlovy, Vary,
Czechoslovakia, Between
April 24 - 27, 1967

~~TOP SECRET~~

object to the CP,USA's sending an observer to the said
meeting. It is not known whether any other European
Communist Parties have as yet replied to the CP,USA's
inquiry.

~~TOP SECRET~~

100-428091-6210 IN THIS FILE SKIPPED DURING
SERIALIZATION.

JUL 20 1967

Cond.
file

C

ROUTE IN ENVELOPE

4/25/67

W
Airtel

~~CONFIDENTIAL~~

- 1 - Mr. DeLoach
- 1 - Mr. Sullivan
- 1 - Mr. C. D. Brennan
- 1 - Mr. Rozamus
- 1 - Mr. R. C. Putnam

To: SACs, Chicago (134-46 Sub B)
New York (100-134637) *REC-74*

From: Director, FBI (100-428091) *EX 106*

SOLO
INTERNAL SECURITY - COMMUNIST

ReNYairtel 4/21/67 regarding Securities and
Exchange Commission's investigation of stock transactions.

New York and Chicago are to closely follow this
matter with utmost care. Insure Bureau is immediately
advised of all developments.

RCP:dmk

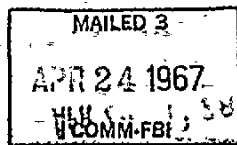
(10) *dmk*

NOTE:

See memorandum C. D. Brennan to W. C. Sullivan,
4/24/67, captioned as above, prepared by RCP:dmk.

pen
*Pls to C. D. N. V.
re classification
10/22/76
pc/mas*

Tolson	
DeLoach	
Mohr	
Wick	
Casper	
Callahan	
Conrad	
Felt	
Gale	
Rosen	
Sullivan	
Tavel	
Trotter	
Tele. Room	
Holmes	
Gandy	



W-9, DH J
BF

Classified by 7339
Exempt from GDS, Category 73
Date of Declassification Indefinite
10/16/76

APR 25 1967

MAIL ROOM ☐ TELETYPE UNIT ☐

OPTIONAL FORM NO. 10
MAY 1962 EDITION
GSA GEN. REG. NO. 27

5010-106

UNITED STATES GOVERNMENT

Memorandum ROUTE IN ENVELOPE

TO : Mr. W. C. Sullivan

DATE: 4/24/67

FROM : C. D. Brennan

1 - Mr. DeLoach
1 - Mr. Sullivan
1 - Mr. C. D. Brennan
1 - Mr. Rozamus
1 - Mr. R. C. Putnam

SUBJECT

SOLO

INTERNAL SECURITY - COMMUNIST

Tolson _____
DeLoach ☒
Mohr _____
Wick _____
Casper _____
Callahan _____
Conrad _____
Felt _____
Gale _____
Rosen ☒
Sullivan ☒
Tavel _____
Trotter _____
Tele. Room _____
Holmes _____
Gandy _____

PURPOSE:

This memorandum advises of current status of investigation by Securities and Exchange Commission into private stock transactions which might involve our Solo informants.

BACKGROUND:

My memorandum 1/18/67 advised that the Securities and Exchange Commission was conducting an investigation into alleged stock manipulations during 1963-66. It was noted that NY 694-S*, CG 5824-S*, and his wife, CG 6653-S, had invested a considerable amount of their savings in stocks which were included in the investigation, namely, Pentron Electronics and Hercules Galion. These investments were made on the basis of advice received from [REDACTED]

b6
b7C

Information developed by our New York Office indicates that the Securities and Exchange Commission has centered its investigation on the officers of the First National Bank of Lincolnwood, Illinois. [REDACTED]

The investigation is to delve into purchases of stock by the officers and their friends and relatives. The Commission has hopes of obtaining at least "one or two" indictments out of the bank at Lincolnwood and, with "luck," may get up to 15 more. The Commission is reported to have an excellent informant in the bank at Lincolnwood who is furnishing detailed information regarding the bank's officers. No indictments are expected to be handed down for five to seven weeks.

Enclosure sent dWR
100-428091

RCP:dmk
(6) dmk

EX 106
REC-74

CONTINUED - OVER

APR 27 1967

Classified by ~~TOP SECRET~~
Exempt from GDS, Category 1
Date of Declassification Indefinite

6/16/96

Memorandum to Mr. W. C. Sullivan
RE: SOLO
100-428091

~~TOP SECRET~~

~~TOP SECRET~~

OBSERVATION:

The activity in the stock market by our informants was their personal business. If they are involved in legal difficulties as a result of this activity, we should do nothing to interfere. In fact, if they are involved in legal difficulties, this will enhance their cover and legend. They are supposed to be wealthy investors and, if the authorities pressure them, the Soviets can only view such pressure as proving that the Government is not protecting them, that they are what they pretend to be. On the other hand, if we attempt to move behind the scenes to soft pedal this investigation, we would risk destroying the cover which has been built up over the years.

Attached is an airtel to New York and Chicago instructing these offices to follow this matter with utmost care and immediately furnish the Bureau any developments as they occur.

RECOMMENDATION:

That attached airtel be approved and sent.

WCH

WCH

P

J

~~TOP SECRET~~

UNITED STATES GOVERNMENT

Memorandum ROUTE IN ENVELOPE

TO: Mr. Conrad

DATE: April 24, 1967

FROM: E. F. Downing

SUBJECT: SOLO
INTERNAL SECURITY - C

Tolson _____
DeLoach _____
Mohr _____
Wick _____
Casper _____
Callahan _____
Conrad _____
Felt _____
Gale _____
Rosen _____
Sullivan _____
Tavel _____
Trotter _____
Tele. Room _____
Holmes _____
Gandy _____

Captioned case involves the Bureau's highly valuable confidential informant NY694-S* who has been receiving communications transmitted to him by radio.

On 4/24/67, transmissions were heard by the Bureau's radio station at Midland at which time a message, NR683 GR205, was intercepted.

The plain text and cipher text are attached.

The New York Office is aware of the contents.

ACTION:

For information.

Enclosure

- 1 - Mr. Conrad
- 2 - Mr. Sullivan (Attn.: Mr. J. A. Sizoo, Mr. R. C. Putnam)
- 1 - Mr. Downing
- 1 - Mr. Newpher
- 1 - Mr. Paddock

JLM:csp

REC-52

EX 11

100-428091-6212

6 APR 27 1967

ENCLOSURE

65 MAY 5 1967

4/24/67

NR 0683 GR 205

04/24/67

90283 07957 09778 18085 41530 32729 50553 62468 90964 32115
26785 99406 54798 01728 53457 19495 66678 38036 56905 41530
08274 00123 94369 73975 25031 64101 63878 70215 81446 90611
91513 70390 04396 62081 13707 71485 60970 97476 62656 69708
82334 80673 53979 61962 94485 19830 21343 00825 71886 42014
66685 45433 86353 65888 82922 20709 88250 15059 63953 47464
43211 10902 28699 95032 27571 18678 42345 66089 46230 55759
24006 75236 04043 82814 76104 40481 55709 50601 88159 97596
11905 50318 96401 31163 67995 01011 00633 97145 27133 54336
27873 65668 75060 47961 32868 72444 35933 71715 04259 91741
06182 88700 32082 35582 88117 14344 45836 86433 74192 41587
41819 27634 40968 28086 28635 09866 40079 83527 60026 90165
47054 00127 71453 34644 21271 86345 09881 92623 13789 75015
27247 36850 52108 14338 28899 66031 32050 25378 56237 42741
53378 43795 21263 42486 51595 13896 57142 83257 86216 23189
98895 89234 53858 47134 81843 27089 26151 20979 59620 62500
51615 83338 18021 69371 69369 80984 56903 15986 31745 82046
78943 79042 90031 72103 52660 47984 80524 05464 50034 46200
84721 41701 28343 76920 63986 79398 34090 36451 06099 90179
83752 38934 78198 62910 12401 51812 19099 25436 20124 03297
19837 92096 35603 28013 45255

100-428091-6212
ENCLOSURE

04/24/67

TUG | SCHEDULE | F O R M A Y . . | W E D N E S D A Y | # 1 1 4 4 # | ^G M T | F R E Q U E N C Y | # 1 2 5 8 7 # |
 . | # 1 2 0 4 # | G M T | - | # 1 3 8 7 3 # | , | # 1 2 2 4 # | G M T | - | # 1 5 6 1 4 # | . | C A L L I N G W W | # 6 # | X |
 W W | # 6 # | ² F R I D A Y | # 1 2 0 3 # | G M T | - | # 1 2 ~~X X~~ ^{7 5 7} ~~X X~~ # | , | # 1 2 2 3 # | G M T | - | # 1 3 9 3 6 # |
 . | # 1 2 4 3 # | G M T | - | # 1 5 7 2 9 # | . | C A L L I N G R | # 2 # | U X | R | # 2 # | U | . T U G | S C H E D U L E | F
 O R | J U N E | . . | T U E S D A Y | # 1 1 5 7 # | G M T | F R E Q U E N C Y | # 1 2 ~~X X~~ ^{9 8 4} ~~X X~~ # | , | # 1 2 1 7 # |
 G M T | - | # ^{1 3 9 7 1} ~~E S E~~ ~~X X X X X E E E~~ # | , | # 1 2 3 7 # | G M T | - | # 1 5 6 8 3 # | . | C A L L I N G | # 4 7 # | X |
 X | # 4 7 # | X | . T H U R S D A Y | # 1 2 1 1 # | G M T | - | # 1 3 1 4 9 # | , | # 1 2 3 1 # | G M T | - | # 1 4 5 1 5 # |
 . | # 1 2 5 1 # | G M T | - | # 1 5 8 2 1 # | . | C A L L I N G D | # 9 # | A | X | D | # 9 # | A | . T E L E P H O N E | F O R |
 M A Y | A N D | J U N E | A R E | # 5 6 3 # | - | # 9 0 0 5 # | A N D | # 5 6 3 # | - | # 9 2 3 8 # | . | T I M E | - | # 0 5 0 5 # |
 P . M . | . P L E A S E | C O N F I R M | B Y | A P R I L | P H O O K E A T | # 0 5 0 5 # | P .

DECLASSIFICATION AUTHORITY DERIVED FROM:
FBI AUTOMATIC DECLASSIFICATION GUIDE
DATE 08-13-2011

ROUTE IN ENVELOPE

Date: 4/25/67

Transmit the following in

~~TOP SECRET~~

(Type in plaintext or code)

Via

AIRTEL

~~NO DISSEM ABROAD~~

(Priority)

NO FOREIGN DISSEMINATION

TO : DIRECTOR, FBI (100-428091)
FROM : SAC, NEW YORK (100-134637)
SUBJECT: SOLO
IS-C

Re previous communications concerning NY 694-S*'s contact with "VLADIMIR", the Soviet security representative in Moscow.

As the Bureau and the Chicago Office are aware, both NY 694-S* and CG 5824-S* have repeatedly sought to have the Bureau remove from the Eastland Report any information concerning themselves, particularly references to CG 5824-S*, whose name did appear in the recent Eastland Report. The informants repeatedly have expressed the opinion that the Eastland Report is a definite threat to the Solo operation.

On 4/18/67, it was ascertained from a highly confidential source close to both informants that, with respect to NY 694-S*'s recent trip to Moscow, the said informant told CG 5824-S* that "VLADIMIR", the Soviet contact, asked NY 694-S* whether the latter had read the Eastland Report. NY 694-S* told CG 5824-S* that when he told "VLADIMIR" that he had read the said report, the latter said, "nothing new in it" and made no further reference to the said report.

1-904 9+0
3-Bureau (100-428091) (RM)
1-Chicago (134-46 Sub B) (AM RM)
1-NY 134-91 (INV) (41)
1-NY 100-134637 (41)

ACB:eac
(7)

EX-113 REC 31

APR 28 1967

~~TOP SECRET~~~~NO DISSEM ABROAD~~

Classified by 7739

Exempt from GDS, Category 2, 3

Date of Declassification Indefinite

Approved: *[Signature]*

NO FOREIGN DISSEMINATION

Sent

M

Per

10/26/76

65 MAY 3 1967
Special Agent in Charge

10/26/76 0-79 to CG, NY (0-74 classified by 6570 ETS del)
6/2/77
No For. Dissem. No
Dissem. Abroad.
100-428091-112
100-428091-6213

~~TOP SECRET~~

NO DISSEM ABROAD

NO FOREIGN DISSEMINATION

NY 100-134637

According to the confidential source, NY 694-S* told CG 5824-S* that despite what "VLADIMIR" had said with regard to the Eastland Report, he, nevertheless, would tell "them" (FBI) "just the opposite". NY 694-S* then inquired whether CG 5824-S* was in agreement with his proposal. The latter replied that he was.

During the course of interview with NY 694-S*, contacting agents were told that "VLADIMIR" had expressed great concern about the Eastland Report reflecting that it well might jeopardize the informants operations.

The above is being submitted to the Bureau in the event that either informant, in the future raise a question with respect to whether or not NY 694-S*'s comments concerning the Eastland Report had been submitted to the Bureau.

- 2 -

~~TOP SECRET~~

NO DISSEM ABROAD

NO FOREIGN DISSEMINATION

ROUTE IN ENVELOPE

Date: 4/25/67

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL _____
(Priority)

TO : DIRECTOR, FBI (100-428091)
 FROM : SAC, NEW YORK (100-134637)
 SUBJECT: SOLO
 IS-C

ReBuairtel, 4/25/67, requesting that the Bureau be advised with regard to all developments in the current Securities and Exchange Commission's investigation of stock transactions.

Enclosed herewith for the Bureau and Chicago are Xerox copies of an article appearing in "The Wall Street Journal" of 4/24/67, entitled, "Muscling In on Market, Signs of Organized Crime Found in Alleged Manipulation on American Stock Exchange" and a "New York Times" article of 4/22/67, entitled, "Inquiry Revealed on Stock Dealing".

1-901 94D
 3-Bureau (100-428091) (Encls. 2) (RM)
 1-Chicago (134-46 Sub B) (Encls. 2) (AM RM)
 1-NY 134-91 (INV) (41)
 1-NY 100-134637 (41)

ACB:eac
 (7)

EX-113
 REC-31
 APR 26 1967

6 APR 26 1967

APR 25 1967

Approved: [Signature] Sent _____ M Per _____

Special Agent in Charge

65

32

THE WALL STREET JOURNAL, Monday, April 24, 1967

Muscling In on Market

Signs of Organized Crime Found in Alleged
Manipulation on American Stock Exchange

100-428031-6214
ENCLOSURE

Staff Reporter of THE WALL STREET JOURNAL

The financial community has never been without its unprincipled fringe operators, peddling worthless stocks by phone to unsophisticated investors or occasionally taking control of a small concern and systematically looting it. But never have more than a handful of companies been affected at any one time. And rarely has there been much evidence of frightening physical violence in the traditionally "white collar," somewhat prissy brokerage business.

The American Stock Exchange in an unusual statement announced that it was conducting an investigation of trading of certain listed stocks "which may have been influenced by alleged manipulative activities."

Suspicious Market Activity

Mr. Saul's letter, however, did sketch the techniques involved in the suspected stock rigging. "The pattern of activity which is emerging from the investigation," he said, "indicates that certain customers, acting in concert, were taking sizable positions in a small number of securities. Other members of the public were then urged to purchase the stocks on the strength of merger prospects, favorable earnings forecasts, or technical considerations. As public interest was aroused and prices rose, the original group was in a position to sell out at substantial profits. The exchange's investigation also indicates that unregulated lenders have financed, to a significant degree, the capital needed by persons engaging in these activities."

Mr. Saul reported that the exchange has retained an extra law firm—Paul, Weiss, Rind, Wharton & Garrison—to work with its own general counsel, Forsythe, McGovern,

By a WALL STREET JOURNAL Staff Reporter

The quotations below indicate, respectively, the 1965 low price for the individual stocks, the highs reached in mid-April 1966, the closing price on May 26, 1966, immediately after Siegler filed for reorganization and, lastly, the closing price last Friday:

Pearson & Nash, to further the investigation. And, Mr. Saul said, the exchange has "strengthened its stock watch procedures" to ascertain more quickly the reasons for any unusual concentration or activity in stocks traded on the exchange.

Two other key witnesses, both securities salesmen, had quietly dropped out of sight even before Rosenberg's death. One of them, Sam Kurzburg, former Chicago manager for Edward N. Slegler & Co., a Cleveland brokerage house pushed into insolvency by trading irregularities last year, was last seen in New York State's Catskill area in February. Efforts to subpoena him since have proved unsuccessful.

"I don't know about that," comments one reputable investigator, "but there's strong evidence that bribery was used in some of these cases."

Rosenberg's death naturally wasn't a boon to the investigators in their efforts to get witnesses to come forward and tell what they know about the alleged conspiracies. Developing a sound case for prosecution would have been a long and tedious process under even the best of circumstances. As it is, a good part of their present information apparently is coming from the records of court proceedings of two brokerage houses, Slegler and Link, Gorman, Peck & Co., a Chicago-based concern, to recover more than \$1.5 million for stock alleged to have been never paid for by Edward.

"Technical Insolvency"

It all began in misleadingly routine fashion on May 23, 1966, when the Midwest Stock Exchange put out a brief bulletin that it was suspending Siegler because of what the exchange termed "technical insolvency."

The following day, Siegler filed a petition to reorganize under Chapter 10 of the Bankruptcy Act, claiming it had insufficient funds to cover its immediate obligations and was unable to arrange sufficient bank credit.

The brokerage house, founded in Cleveland in 1932 by the late Edward N. Siegler, apparently had been run in capable enough fashion by his son, 32-year-old Lawrence. It took its first long step toward the abyss in April last year when it opened a small branch in downtown Chicago. To manage the new branch, Mr. Siegler selected the now-missing Mr. Kurzburg, who had only been with the brokerage firm's main office a few months and before that had been a headwaiter at Cleveland's lively Sahara Motor Hotel dining room. Today, Mr. Siegler defends his choice, saying that Mr. Kurzburg in his few months of apprenticeship in Cleveland brought in "a lot of business."

This was an understatement, once the enterprising Mr. Kurzburg got to Chicago. Subsequent court records indicate that on March 31, 1966, Siegler's assets and liabilities were \$1,441,816. Net quite two months later, on May 23 when it filed its Chapter 10 petition, Siegler's balance sheet had bloated up to assets of \$2,834,000 and liabilities of \$2,981,000. Nearly all of this, Siegler contends, was because of some \$1,300,000 of stock purchase orders placed by the Chicago office but never paid for.

One of the new Chicago office manager's first acts was to hire away from Link, Gorman, Peck & Co. another big producer—Burton "Buddy" Kozak. Mr. Kozak's securities background was barely more extensive than that of his new boss, consisting he says, of "a couple of years at Link, Gorman." Before that he was a bail bondsman and a paint salesman. However, his value at Siegler apparently was highly rated; he says he not only received a third to a 50% cut of the gross commissions on all securities he sold himself, but he got a 5% override on all commissions on all stocks sold by the Chicago office. Moreover, he was the only salesman in the small branch with his own private office, thus outranking in this sense his boss, Mr. Kurzburg.

"I Scream a Lot"

Asked about this in a recent deposition, Mr. Kozak said, "Maybe it's because I scream a lot."

One of Buddy's customers at Link-Gorman was the late Rosenberg, who is listed in court papers as a Siegler customer, though with another salesman. Another Siegler customer was Irwin "Pinky" Davis, who has been arrested six times on various fraud charges. In 1955 he pleaded guilty to one charge. Most recently Davis was arrested in Chicago on mail fraud charges along with Rosenberg and a Chicago lawyer named David Morowitz.

Like Rosenberg, Davis and Mr. Morowitz

are named in confidential court papers as customers of Siegler & Co., trading in the seven American exchange securities suspected of being rigged. Mr. Morowitz denies he ever did any business with Siegler, and Davis couldn't be reached for comment. In an interview, however, Mr. Morowitz concedes that he received checks from Siegler last year, but he insists this was a bookkeeping error on Siegler's part.

The customers of both Mr. Kurzburg and Mr. Kozak made extensive use of what is known as pay-on-delivery orders in buying stock. This sophisticated bank draft technique provides that a stock purchaser can require that his incoming stock certificates be delivered to a bank where payment will be made. Should the customer fail to authorize payment at the bank or have insufficient funds to cover the draft that accompanies the incoming certificates, the broker through whom the sale is made is liable for the purchase of the securities.

A customer buying stock on the "P.O.D." method has time working for him. It usually takes four days for a stock certificate to arrive at the broker's bank. Then the broker's bank has to wait another few days for the draft to be collected from the customer's bank. In a rising market this works fine even though the customer doesn't have any money, because his bank can sell the stock and cover the draft. But when the drafts come back to the broker's bank "uncollected" this amount is subtracted from the broker's bank account and the broker becomes liable for the differ-

ence between the original purchase price and the current price of the stock.

If a customer buying stocks on the "P.O.D." method knows he doesn't have the funds to pay for the stock he can stall sometimes and convince his bank to lend him funds to cover the initial amount of unpaid-for drafts. Meanwhile the broker's bank doesn't suspect that the customer is scrambling for funds. Reputable experts in the securities industry say that an ingenious customer using the "P.O.D." bank system can sometimes delay the day of reckoning for weeks.

According to Siegler's bankruptcy trustee, even this delay wasn't enough for some of the firm's customers, and they allegedly bought thousands of shares of stock which were never paid for. Last fall, Siegler's bankruptcy trustee and Link-Gorman jointly filed in Cleveland Federal District Court a \$3 million damage suit (including punitive damages) against Messrs. Kozak and Kurzburg, some of their customers and the First National Bank of Lincolnwood, Ill., on which many of the uncollectable pay-on-delivery orders were drawn.

Various court papers claim that when the orders were placed the two salesmen told

Siegler that they and their customers had sufficient funds on account at the First National Bank of Lincolnwood to take delivery of the stock. But when Siegler sought the funds from the bank, it says, the accounts were either fictitious or insufficient to pay for the orders.

Siegler's trustee charged that the unsettled purchase orders were part of a plot with "customers, salesmen, banks or other individuals and institutions to create a market for the securities" under investigation and "to dispose of large blocks of such securities held by the co-conspirators at excessive prices by calling debtors and other brokers to purchase them upon fictitious orders."

The suit accuses the Lincolnwood bank of knowing about the discrepancies in the Kurzburg and Kozak orders and concealing them. It's also claimed that certain officers of the Lincolnwood bank did business with Mr. Kozak both at Link-Gorman and at Siegler.

"I had a nice relationship with the bank," Mr. Kozak stated in a recent deposition. "There were a lot of people that worked at the bank that were accounts of mine."

An illustration of this relationship, Mr. Kozak said, is on page 20, column 1.

Continued from Back Page

Mr. Kozak said that on one occasion he received a \$20,000 unsecured loan from the bank. On another occasion, though, when the bank didn't want to honor a draft for "about \$40,000" for about 1,000 shares of Rowland Products stock, Mr. Kozak prevailed on a Chicago lawyer, Robert Ness, to pay it, even though "he screamed, raved and ranted," Mr. Kozak said.

In the court action Siegler's trustee has brought, Stuart Projansky, the bank's assistant vice president, and Leonard A. Brody, a vice president, were named as defendants.

In an interview, Irving Projansky, chairman of First National Bank of Lincolnwood, and Martin Gerber, the bank's chief counsel, both denied the charges of Siegler's trustee. Mr. Projansky said, "I don't think the bank or any of its personnel did anything wrong."

Mr. Gerber has filed a motion in Chicago Federal District Court to dismiss the suit. Mr. Gerber added, "All I can say is that this suit is a case of the thieves calling the victim a thief."

Mr. Gerber said most of the bank's stock is controlled by Mr. Projansky and his family, who bought control in October 1964 from a group that included Jacob M. Arvey, Democratic National Committeeman for Illinois, and William L. McFetridge, president of the Building Service International Union, AFL-CIO. Oddly enough, Mr. Arvey's law firm now represents the Siegler trustee in his suit against the bank.

After the Projansky group took over the bank, Mr. Gerber said, it grew rapidly from assets of about \$16 million to \$35 million currently. Last year after the Siegler suit was filed, deposits dropped about \$500,000 but since then most of this has been regained, the bank's lawyer said. He said that as a result of the Siegler situation, he had received Federal subpoenas for "different records and we have complied."

One change has occurred at the bank. Mr. Projansky disclosed that Arthur C. Keller, who was once listed as president of the bank, resigned last September. "If there is a reason for Mr. Keller quitting, I don't want to talk about it," Mr. Projansky said. Mr. Keller, in a phone interview Saturday, said he quit because of a heart attack.

Pressured in Hiring?

Some investigators believe that Siegler may have been under pressure to hire Mr. Kurzburg and Mr. Kozak to work as securities salesmen in Chicago. Lawrence Siegler refuses to comment on this aspect of the case. Whatever the pressure on Siegler, sources close to the company claim that the speed with which the massive buildup in unpaid orders occurred indicated a stock-rigging plot and perhaps even a plot to ultimately take over Siegler.

None of the sources interviewed believe Mr. Siegler or the officers of his firm in Cleveland were part of the market-rigging plot. They also doubt that he did the bidding of the Chicago operators. For one thing, as soon as Mr. Siegler discovered that he was in debt because of the huge pileup of unsettled orders, he promptly notified the Midwest Stock Exchange where he was a member.

As an aftermath of the Siegler insolvency, the Midwest Stock Exchange and the reputable Cleveland investment firm of Hartzmark & Co. worked out a plan for repayment in full of most of Siegler's customers. Both the Midwest Exchange and Hartzmark contributed the funds for the repayment of the long-standing customers of Siegler, and employed Mr. Siegler and most of his Cleveland associates as salesmen. But any accounts that seemed suspicious or were unpaid were sequestered in the hands of the court-appointed trustee in Cleveland for investigation.

Link-Gorman, though it also suffered heavy losses, was able to add enough capital to continue in business without reorganization.

Suspicious trading in the eight stocks, of course, was much more extensive than that through the two brokerage houses. At least four brokerage concerns, some of them major, are known to have suspended registered salesmen because of involvement in one form or another with the issues.

Search for Killer

Meanwhile, the Chicago police continue the almost hopeless task of trying to find out who killed Rosenberg. There's not much doubt that it was a typical gangland killing. For one thing, the nine bullets were from two different .38 caliber pistols, with one bullet fired into the back of Rosenberg's head. It was the 1,003rd gang murder in Chicago since the 1920s and not once has a gun been matched up in ballistic tests with bullets found in the bodies of the victims.

Any number of people could have been angry enough to kill the huge con-man. Some investigators believe he'd had his "warning" several months ago when he suffered a mysterious accident, which left him hobbling and using a cane. The accident, police say, had all the earmarks of a treatment by one well-known Chicago collector for loan sharks, whose specialty is breaking the legs of customers who don't pay their bills.

The possibility that Rosenberg may have been in hook to a money lender can't be ruled out. The factoring form of financing, often has been used by disreputable market operators to circumvent the margin requirements on stock purchases set up by the Federal Reserve Board; currently a buyer must put up at least 70% of the price in cash. A factor will lend the full purchase price of a stock, but some in Chicago charge interest as high as 1 1/2% a day. This is endurable only as long as the stock purchased is rising rapidly in value.

It should be noted that the period in 1966 during which Rosenberg and his cronies were investing heavily came just as stock prices generally were heading into a steep decline from their record peaks set early in the year. On May 9, the Dow Jones Industrial average dropped 16.03 for the biggest one-day loss up to that time since President Kennedy's assassination.

Rosenberg's criminal records date back to March 1955 when he was convicted on a grand larceny charge. In New Jersey in May 1956, he was sentenced to six years in prison on a Federal conviction for transporting forged securities. At the time of his murder, the 36-year-old swindler was appealing another five-year prison sentence and a \$10,000 fine for a bankruptcy fraud in Des Moines. He also was scheduled to appear in New York on April 18 on a fraud charge involving unpaid orders for diamonds. On March 20, the day of his funeral, he was scheduled to appear in Louisville on charges of planning the bankruptcies of two disreputable concerns there.

This plenitude of problems made Rosenberg tremendously vulnerable to pressure to talk about syndicate activities. "The syndicate regarded Al as a pretty incompetent guy and everywhere he turned he got people in trouble because of his blundering," says one Chicago

police official, adding, "It's too bad, though. Al could have told us a lot."

On another front, securities specialists and statisticians are busy going over the trading records for the seven American Stock Exchange stocks and the one unlisted stock, plus probably a number of others, looking for market abnormalities.

Typical is the chart of Rowland Products Inc., a small Kensington, Conn., manufacturer of eyeglass frames and other plastic products, with only 266,000 common shares outstanding. Yet from March 21 to May 30, 1966, 467,300 shares were traded on the American exchange, nearly double the company's total capitalization.

From a low of \$8 a share in 1965, Rowland's stock price soared to \$48.75 in mid-April 1966, even though the company's net earnings for the year ending June 30, 1966, dropped to \$40,089, or 15 cents a share, from year-earlier profit of \$241,235, or 93 cents a share.

Hugh Rowland, the company's president, terms the \$48.75 high the stock reached a year ago "a ridiculous figure." He says that shortly after Rowland stock began to move up, a Chicago lawyer visited his plant and said he wanted to invest in the company and take a big position in the stock. Later, after the stock had started to weaken (it sagged to \$23.875 a share on May 26, four days after Siegler closed its doors), the lawyer phoned urgently from Chicago that he had bought a huge number of shares and needed \$350,000 to pay for them. He asked Rowland to put up the \$350,000, but was turned down.

"As far as I was concerned he was stuck with the stock," says Mr. Rowland. He adds that at his instruction none of Rowland's directors or officers bought stock in the company during the period of the big upswing. He refused to give the name of the Chicago lawyer, but from other sources it was learned to be Robert Ness.

Richard Hickish, Rowland secretary, says the stock-transfer records of the company have been subpoenaed by the grand jury. Court records indicate the late Rosenberg was investing in Rowland along with other Siegler customers.

J. N. Mellish, treasurer of Hercules Gallon Products Inc., a Gallon, Ohio, maker of dump truck bodies and holsts, says, "We knew something was going on last year. We saw the visible evidence of it when our stock was trading at \$14.875, which was about 50 times 1966 earnings." David Van Alstyne, chairman, says, "We were very annoyed to see our stock run up way beyond what it was worth. One thing's certain and that's that we're not connected with the action in any way."

Ben Fixman, top executive officer of Diversified Metals Corp., a metal reclaiming concern in Hazelwood, Mo., says "I couldn't care less about what the public is doing in my stock."

The officers of Mercury Chemical Corp. of Metuchen, N.J., and Duraloy Co., a Scottsdale, Pa., chrome and nickel alloy castings producer, declared they noticed nothing unusual in the market price of their stock last year.

Leece-Neville Co.'s executive vice president would make no other comment than that he had spoken with "representatives of the SEC" about the price action in his stock last year. The Cleveland manufacturer produces start-up equipment for automobiles and aircraft.

No officer of either Pentron Electronics Corp., a Chicago producer of tape recorders, or Savoy Industries Inc., a plastics and cosmetics producer of Long Island City, N.Y., could be reached over the weekend for comment.

INQUIRY REVEALED ON STOCK DEALING

American Exchange Studies Possible Manipulation in Some Securities

By LEONARD SLOANE

The American Stock Exchange, the nation's second largest securities exchange, announced here yesterday that it was investigating trading in a "small group" of its stocks that may have been manipulated.

In a formal statement, which a spokesman would not amplify, the exchange reported indications that after some customers of brokerage firms bought large blocks of stock, the public was urged to invest in the same companies on the basis of various factors.

Because of this public interest, according to the exchange, the prices of the stocks rose and the alleged manipulative group could then sell its holdings with sizable profits.

A highly placed source close to the investigation disclosed that a Federal grand jury has been looking into possible stock manipulation on the American exchange by both brokers and customers for about nine months. The Securities and Exchange Commission and, more recently, the American exchange itself were said to be assisting in the investigation.

No Longer in Business

The grand jury's interest, the source said, stems from allegations of certain activities said to have been engaged in by certain registered representatives in the Chicago office of Edward N. Siegler & Co., a Cleveland-based brokerage house that is no longer in business.

Siegler was suspended from the Midwest Stock Exchange on May 23, 1966, after it failed to open for business and notified the exchange it would be unable to meet its financial commitments. The following day, it applied for a reorganization in bankruptcy. About two months later, a Federal court in Cleveland approved the sale of its assets and liabilities to Hartmark & Co., Inc., another brokerage firm in that city.

Other sources that have knowledge of the investigation added that much of the alleged manipulation took place in late

Continued on Page 36, Column 4

THE NEW YORK TIMES, SATURDAY, APRIL 22, 1967

INQUIRY REVEALED ON STOCK DEALING

Continued From Page 1, Col. 2

1965 and 1966, and was centered in the Chicago area. Individuals were said to have invested large sums in thinly capitalized stocks. Through pressure exerted on some brokers — understood to have gone possibly so far as blackmail through the use of gambling debts and prostitutes — brokerage concerns were persuaded to recommend these stocks to other customers.

It was also said that among the witnesses appearing before the grand jury here were representatives of the Chicago offices of New York brokerage firms.

No Comment Given

Robert M. Morgenthau, United States Attorney for the Southern District of New York, and Irving Pollack, director of the S.E.C.'s division of trading and markets, offered only "no comment" when questioned about the investigation. Mr. Pollack, whose headquarters are in Washington, was in New York yesterday.

In the announcement signed by Ralph S. Saul, president of the American exchange, it was stated that "investigation also indicates that unregulated lenders have financed, to a significant degree, the capital needed by the persons engaging in these activities."

Informed sources in the financial community said that an additional source of funds for these activities may have been a national bank in a suburb of Chicago.

Mr. Saul's statement also said that the American exchange had retained the law firm of Paul, Weiss, Riffkind, Wharton & Garrison as special counsel "to further its investigation."

"Where circumstances have warranted," the statement continued, "the exchange has informed member organizations of the facts developed during

the investigation in order that they may take such action as they deem appropriate."

In the statement, moreover, the exchange described how it has strengthened its "stock watch" procedures so that brokerage firms can learn more quickly why any unusual concentration or activity in stocks is taking place.

"The stock watch section is promptly contacting by telephone those firms which are particularly active in selected stocks so they may in turn assure themselves that orders are being entered in accordance with their policies and exchange rules," the exchange explained.

First Formal Word

There have been rumors of a Federal grand jury investigation into stock manipulation for some time. But the first formal word of any investigation came at 5 P.M. yesterday when the American exchange — second only in size to the New York Stock Exchange — distributed to newspapers and other media Mr. Saul's statement to members and member organizations.

"The exchange is conducting an investigation of trading in a small group of stocks which may have been influenced by alleged manipulative activities," it began.

"The pattern of activity which is emerging from the in-

vestigation indicates that certain customers, acting in concert, were taking sizable positions in a small number of securities. Other members of the public were then urged to purchase the stocks on the strength of merger prospects, favorable earnings forecasts or technical considerations."

The statement also said that "the exchange is actively pursuing its investigation and cooperating with the Securities and Exchange Commission and the United States Attorney's office."

To Prepare Report

"To further its investigation the exchange has retained the firm of Paul, Weiss, Riffkind, Wharton & Garrison, as special counsel, to work with the exchange general counsel, Foraythe, McGovern, Pearson & Nash. The special counsel will advise and assist the exchange in the pursuit of its investigation, prepare a report of its findings and consider recommendations; if any, are made."

Twice in the statement, Mr. Saul made the point that member firms have the responsibility to supervise their activities to make sure that nothing improper is happening.

"Members should ascertain the basis upon which recommendations, if any, are made by registered representative. Reasons such as tape activity and other technical factors should not deter supervisors from probing more carefully into customer interest."

The statement also cited four rules of the exchange covering due diligence, prompt reporting of sensational rumors, prohibition of order execution that would unduly influence stock prices and adherence to principles of good business practice.

XERO COPY

XERO COPY

XERO COPY

100-428091-124

ROUTE IN ENVELOPE

Date: 4/26/67

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL REGISTERED
(Priority)

TO : DIRECTOR, FBI (100-428091)
 FROM : SAC, NEW YORK (100-134637)
 SUBJECT: SOLO
 IS-C

Reference previous communications from the NYO regarding the recent trip to Moscow of NY 694-S*.

In a conversation with "VLADIMIR," the Soviet security representative, there was a discussion of security hazards with respect to contact between the CPUSA and the Soviets. VLADIMIR had mentioned that the CPUSA and the Soviet apparatus must be constantly alert to possible leaks.

The source told VLADIMIR that, in that connection, JAMES JACKSON continually is making contact at the Soviet establishments in New York City. He told VLADIMIR that JACKSON is not aware of the method of contact between the Soviets and the CPUSA and is not authorized to negotiate with the Soviets in any way regarding apparatus matters. The informant hinted to VLADIMIR that if there were any leaks—particularly regarding Soviet money coming to the CPUSA from the Soviets, JACKSON, who is probably aware of the Soviet money coming to the CPUSA, could very well be a leak in this regard. According to the informant, VLADIMIR made no comment regarding the informant's remark, but "just listened."

- 1-904 940
 3 - Bureau (RM)
 1 - Chicago (134-46-Sub B)(AM RM)
 1 - NY 134-91 (INV)(41)
 1 - NY 105-14931-Sub C (TALANOV)(341)
 1 - NY 100-134637 (41)

ACB:msb
 (8)

REC 51

EX-113

6 APR 28 1967

Approved: *[Signature]*
 65 MAY 11 1967 Special Agent in Charge

Sent _____ M Per _____

NY 100-134637

VLADIMIR then expressed interest in [redacted] b7D
He desired to be informed with respect to the development of this individual. The source told VLADIMIR that [redacted] has been placed in the cultural section of the Party where he will be kept until such time as it will be considered advisable to use him for apparatus work. VLADIMIR thought this was a good idea. He stated that [redacted] should be "kept on ice" in the cultural section because authorities probably still remember that he had been in China and not too long ago.

Reference NY tel, 4/2-/67, page 6, where there is a reference to an improved micro-transceiver operation. The source, referring to this, states that he is to purchase a tape recorder known as the UHER 4000 L Reporter. The Soviets are to furnish him with "an adapter," which they themselves design, to be connected with the UHER 4000 L Reporter. This improved "micro-transceiver operation" will be effective at distances from 1500 feet to one mile, height making no difference. With the use of this apparatus, a message is recorded in the usual fashion through a microphone at the speed of 154" but when a message is transmitted, the speed will be 1.9. A 15-minute recording can be transmitted in two minutes.

Should be
2.4 centiperssec.
or 1 7/8 ips

Should be 19 centi-
meters per second or
7 1/2 ips

Message is recorded at 17 1/8 ips
played at 7.5 ips. A 15' message
is played in 1.875 min - 8 times
as fast as recorded.

ROUTE IN ENVELOPE

Date: 4/26/67

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL REGISTERED
(Priority)

TO : DIRECTOR, FBI (100-428091)
 FROM : SAC, NEW YORK (100-134637)
 SUBJECT: SOLO
 IS-C

Enclosed herewith for the Bureau are the original and four copies, and for the Chicago Office one copy, of an LHM captioned "Mexican Communist Party Will Hold Congress in June, 1967."

The information set forth in the enclosed LHM was furnished to SAS JOHN F. LANGTRY and ALEXANDER C. BURLINSON by NY 694-S* on 4/25/67.

The enclosed LHM is classified "~~Top Secret~~" since unauthorized disclosure of the information set forth therein could reasonably result in the identification of this source, who is furnishing information on the highest level concerning the international Communist movement. Such disclosure could adversely effect the national security.

In order to further protect the identity of this source, the enclosed LHM reflects that it has been prepared at Washington, D. C.

- 1-904 840 + Encl. 11
 3 - Bureau (Enc. 5) (RM)
 1 - Chicago (134-46-Sub B) (AM RM)
 1 - NY 134-91 (INV) (41)
 1 - NY 100-134637 (41)

ACB:msb
 (7)

EX-113
 REC 50
 100-428091-6216
 5 APR 28 1967

Approved: *[Signature]*

Sent _____ M Per _____

65 MAY 5 1967 Special Agent in Charge

Let to State, CIA, and Legat, Mexico City.

NY 100-134637

NIKOLAI MOSTOVETS, Head of the North and South American Section of the International Department of the CCCPSU, advised NY 694-S*, while the latter was recently in Moscow, that the General Secretary of the Mexican CP had recently left Moscow and that he told the Soviets he intended to send a letter to GUS HALL, General Secretary of the CPUSA, from Mexico, inviting the CPUSA to send a delegate, or possibly delegates, to attend a Mexican CP Congress to be held in June, 1967.



~~TOP SECRET~~

UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

In Reply, Please Refer to
File No.

Washington, D. C.
April 26, 1967

DECLASSIFICATION AUTHORITY DERIVED FROM:
FBI AUTOMATIC DECLASSIFICATION GUIDE
DATE 08-13-2011

Mexican Communist Party Will Hold
Congress in June, 1967

A source, who has furnished reliable information
in the past, in April, 1967, advised as follows:

In April, 1967, a leading functionary of the
International Department of the Central Committee of the
Communist Party of the Soviet Union (CCPSU) has stated
that, according to the General Secretary of the Mexican
Communist Party (CP), the Mexican CP will hold a Congress
in June, 1967, to which the CP, USA will be invited to
send a delegate or delegates.

This document contains neither recommendations
nor conclusions of the FBI. It is loaned to
your agency; it and its contents are not to be
distributed outside your agency.

~~TOP SECRET~~

GROUP 1
Excluded from automatic
downgrading and
declassification

100-428091-6216
ENCLOSURE

ROUTE IN ENVELOPE

Date: 4/26/67

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL _____
(Priority)

TO : DIRECTOR, FBI (100-428091)
 FROM : SAC, NEW YORK (100-134637)
 SUBJECT: SOLO
 IS-C

Re previous NYO communications regarding
 NY 694-S*'s recent visit to Moscow.

The informant has advised that while in Moscow, he had several discussions with the Soviet functionaries NIKOLAI MOSTOVETS, Head of the North and South American Sections of the International Department of the CCCPSU, the latter's Deputy IGOR MIKHAILOV, in charge of the USA, and E. KUSKOV, Deputy to PONOMAREV, Head of the International Department of the CCCPSU.

During one discussion period, IGOR MIKHAILOV was very depressed by reason of the fact that he had just learned from the US Embassy in Moscow that he would not receive a US visa to go to the USA as a member of a Soviet trade union delegation. IGOR was annoyed and puzzled and stated that he could not understand why the visa had been refused. He said he had been given no details or explanations by the US Embassy.

(In connection with the above, NY 694-S* stated that he subsequently met ALEXEL GRETCHUKIN, formerly assistant to MOSTOVETS mentioned above, and currently a Professor of History associated with the Academy of

3-Bureau (100-428091) (RM)

1-Chicago (134-46 Sub B) (AM RM)

1-NY 134-91 (INV) (41)

1-NY 100-134637 (41)

ACB:eac

(7)

EX-113
 REC 50
 100-428091-62 17
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Approved: _____

65 MAY 11 1967 Special Agent in Charge

Sent _____ M Per _____

NY 100-134637

(Sciences, specializing in the American labor movement.

(GRETCHUKIN told the informant that he is scheduled to go to the US for a period of eight months to study American History at the large American libraries in the USA, particularly at the Congressional Library. He said that in view of the fact that IGOR MIKHAILOV had been refused a visa, he too was apprehensive lest he not receive a visa.

(GRETCHUKIN stated that he had just returned from a lecture tour in East Germany and, while there, he had become acutely aware of extreme tension in East Berlin. He attributed this tension to the recent change in the West German Government.)

During the conferences with MOSTOVETS, KUSKOV and MIKHAILOV, NY 694-S* mentioned that the situation in the USA is "not good" and that the Party could not afford at this time to "let its guard down". MOSTOVETS replied by saying that the informant was right, and stated, "we have lots and lots of trouble. I don't have to tell you that. Things have gone wrong." He indicated that Soviet money had not been transmitted to the CPUSA, as scheduled, because there was trouble in the Soviet New York establishment. NY 694-S* feels that had he been alone at the time with MOSTOVETS, the latter might have furnished him further details regarding this matter, but that in view of the presence of the other two Soviets, MOSTOVETS did not consider this a wise thing to do.

The informant discussed with KUSKOV a matter which GUS HALL had requested be mentioned to the Soviets. Informant told KUSKOV that even though the CCCPSU intended to invite the top CPUSA leadership to attend as delegates the 50th anniversary of the October Revolution to be held in Moscow on 11/7/67, the CPUSA has a problem, in that "old-time" CPUSA members are pressing the Party for invitations to attend the said celebration. Many of these people have

NY 100-134637

worked arduously for the CPUSA and for the Soviets for the past 45 years. He cited ISIDORE GIBBY NEEDLEMAN as an example.

KUSKOV replied that the CCCPSU had given considerable thought to this matter and is aware that there are many such people, not only in the USA, but in other countries throughout the world. He said that the CCCPSU has to give further consideration to this question. Nevertheless, he said there will be an official invitation issued to the Secretariat of the CPUSA. As to how large or small this delegation must be, KUSKOV at the moment could not say.

KUSKOV mentioned that when Prime Minister WILSON met with Premier KOSYGIN in London, the Prime Minister requested that the Soviets remember to invite him to attend the aforesaid 50th anniversary of the Soviet Revolution.

With respect to prospective invitees to the celebration, KUSKOV requested that the CPUSA send to the CCCPSU a list of Americans which the CPUSA considers to have been contributors to the success of the October Revolution of 1917, and during the early 1920's. He mentioned in this connection - as prospective invitees - people who may have been contemporaries of such people as RYS WILLIAM, JOHN REED, BILL HAWOOD, WILLIAM Z. FOSTER, CHARLES RUTHENBERG and ALEXANDER TRACHTENBERG. KUSKOV suggested that the families of these deceased comrades might be invited for the purpose of receiving posthumous awards to their deceased relatives.

KUSKOV also stated that the CCCPSU would be most grateful if the CPUSA would search most diligently for any and all people who are worthy of recognition and invitation to the aforesaid celebration. In this connection he mentioned such people as JESSICA SMITH and LEM HARRIS. The Soviets will examine this list, when received from the CPUSA, and determine who might be qualified to be invited.

NY 100-134637

The informant stated that according to KUSKOV, several top level CPUSA functionaries would be invited to the celebration. He indicated that he did not desire to be definite in this respect at that time, because, as a result of past experience with the CPUSA leadership, he was aware of the fact that if he should invite three, they would send six. He stated that very likely three or four top CPUSA leaders would be invited.

MOSTOVETS stated that the CCCPSU is disturbed and annoyed about the fact that the CPUSA has indicated that among its delegation to the May Day celebration, there would be an eight year old boy and a 65 year old woman. The Soviets don't know what to do with such individuals and they certainly will create a problem for the Soviets if they go to Moscow. He remarked facetiously that in the past, when husbands were invited they brought wives; and that now they are apparently intending to bring children as well.

With respect to invitations to 40 CPUSA members invited to tour the Soviet Union during this year, it must be noted that this invitation is restricted to the months April to August, 1967.

In connection with the 40 people invited to visit the Soviet Union during the year 1967, MOSTOVETS and MIKHAILOV expressed shock and amazement that AL LANNON was included in this group. They said that he was a man who, they thought, no longer was a member of the Party. In fact, it was their understanding that he had "acted against the Party".

With regard to LANNON, they stated that inasmuch as he is going to the Soviet Union primarily for medical treatment, it will be important and urgent that his medical history be sent to Moscow before LANNON's arrival there.

Concerning HARRY YARIS, brother of BETTY GANNETT TORMEY, CPUSA functionary, and currently the "Worker" correspondent in Moscow, MIKHAILOV said that he was puzzled because YARIS is now announcing that he is going to stay in

NY 100-134637

Moscow for four years. He said the Soviets are "peeved" with YARIS at this time. He said recently YARIS made a trip to Georgia, USSR, to investigate anti-Semitism there. He interviewed a Georgian Jew and asked the latter why he had been mistreated, and how he had been mistreated. The Georgian Jew, who was a Professor, expressed surprise that he should be asked such questions by YARIS and stated that he in no way was being mistreated or discriminated against. That incident, according to MIKHAILOV, ended YARIS' investigation of the Jewish question in Georgia.

NY 694-S* said he discussed with the above-mentioned Soviets a thousand books that the Soviets had printed at the request of JAMES JACKSON. They said that the thousand books would be sent to the US, but requested that the CPUSA be certain to pay for the said books.

They also discussed a book entitled, "The Civil War of Spain - Years 1936 - 1938", the author of which is DELORES IBURRI. MIKHAILOV gave the source two volumes, which were written in Spanish and told the source that there were available no English translations of these books. He said, "If you so desire, you can translate them yourself." MIKHAILOV requested that the source be certain that these books be distributed "in the proper places in the USA". (NY 694-S* advises that he took these books to Prague and made arrangements there for the shipment of the books to a CP Chicago bookstore.)

Another matter emphasized by MOSTOVETS and MIKHAILOV was the necessity for the establishment of "literature distribution organizations in the USA" and the mass distribution of Soviet publications.

In further conversations, MOSTOVETS and MIKHAILOV stated they were very pleased when they read the Sunday morning edition of "Pravda" on the peace demonstrations which had been held in New York and San Francisco. They were impressed with the figures of 300,000 and 70,000 participants, respectively, and stated that to them these demonstrations showed that there was a genuine mass movement gaining momentum in the US.

ROUTE IN ENVELOPE

Date: 4/24/67

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL _____
(Priority)

TO: DIRECTOR, FBI (100-428091)
(ATT: FBI LAB)

FROM: SAC, NEW YORK (100-134637)

SUBJECT: SOLO
IS-C

On 4/24/67, there was received from the Soviets by way of radio a partially coded, ciphered message, the plaintext of which is as follows:

"Tug schedule for May: Wednesday 1144 GMT frequency 12587, 1204 GMT - 13873, 1224 GMT - 15614. Calling WW6. Friday 1203 GMT - 12751, 1223 GMT - 13936, 1243 GMT - 15729. Calling R2U.

"Tug schedule for June: Tuesday 1157 GMT frequency 12984, 1217 GMT - 13971, 1237 GMT - 15683. Calling 47X. Thursday 1211 GMT - 13149, 1231 GMT - 14515, 1251 GMT - 15821. Calling D9A.

"Telephones for May and June are 563-9005 and 563-9238. Time 0505 P.M.. Please confirm by April phone at 0505 P."

- 4-904 94
- 4 - Bureau (100-428091) (RM)
(1 - FBI Laboratory)
- 1 - Chicago (134-46-SUB B) (AMRM)
- 1 - New York (134-91) (INV)(41)
- 1 - New York (105-14931) (TALANOV) (341)
- 1 - New York (100-134637) (41)

JFL:gmd
(9)

cc Crypt
Trans 4/25/67

EX-103

REC-21

MAY 1 1967

Approved: _____

Sent _____ M Per _____

65 MAY 5 1967 Special Agent in Charge

1 - Mr. Murphy

4-23-67

airtel

ROUTE IN ENVELOPE

To: SAC, New York

PERSONAL ATTENTION

From: Director, FBI

UNSUB VLADIMIR
ESP - RUSSIA

ReNYairtel 4-24-67 captioned "Solo, IS - C."

Referenced airtel notes that during the recent Solo mission, NY 694-S* was in contact with one Vladimir who advised that he was in charge of security matters for the "Central Committee." Vladimir advised NY 694-S* that he was familiar with the area and the actual apartment building in which the informant resides as he had formerly resided not too far from this location on Ithaca Street.

Vladimir exhibited familiarity with such Long Island locales as Shelter Island, South Hampton and Greenport.

In connection with identifying Vladimir, your attention is directed to Chicago airtel to Bureau, copy to New York, dated 11-16-59 captioned "Solo, IS - C," regarding Unsub Peter who was in contact with CG 5824-S* in the Soviet Union during October, 1959.

Efforts to determine Peter's identity were unavailing; however, CG 5824-S* noted that Vladimir Lobachev and Anatoli G. Myshkov bore certain resemblances to Unsub Peter.

New York should obtain descriptive data regarding Unsub Vladimir from NY 694-S* and attempt to identify this individual. Exhibit photos of logical suspects to NY 694-S* and advise Bureau of results.

- 1 - New York (100-14637) (Solo)
- 1 - Chicago (134-46-Sub B) (Solo)

1 - 100-428091 (Solo)

BPM:mh (7)

141 APR 23 1967

PERSONAL ATTENTION

DUPLICATE YELLOW

NOTE: We are attempting to determine the identity of the Soviet handler of the Solo activity. This has been coordinated with the Internal Security Section.

65 MAY 3 1967

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ORIGINAL FILED IN

ROUTE IN ENVELOPE

Date: 4/26/67

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL _____
(Priority)

TO : DIRECTOR, FBI (100-428091)
 FROM : SAC, NEW YORK (100-134637)
 SUBJECT: SOLO
 IS-C

ReBuairtel, 4/25/67, requesting that the Bureau be advised with regard to all developments in the current Securities and Exchange Commission's investigation of stock transactions.

Enclosed herewith for the Bureau and Chicago is a Xerox copy of an article appearing in the "New York Post" of 4/25/67, entitled, "Justice Dept. Takes Reins in Amex Probe".

1-904 HD
 3-Bureau (100-428091) (Encl. 1) (RM)
 1-Chicago (134-46 Sub B) Encl. 1) (AM RM)
 1-NY 134-91 (INV) (41)
 1-NY 100-134637 (41)

JFL:eac
 (7)

REC-21

100-428091-6219

MAY 1 1967

Approved: *[Signature]*
 65 MAY 5 1967 Special Agent in Charge

Sent _____ M Per _____

Justice Dept. Takes Reins in Amex Probe

By CAROL MATHEWS

A spreading investigation of possible underworld manipulation of some stocks on the American Stock Exchange picked up momentum today.

And the lead is being taken by the Justice Dept. with the Securities Exchange Commission in the background.

"We are doing what the Justice Dept. tells us," an SEC source told the New York Post. "We have very little involvement in the present instance, though we are certainly doing what we can."

Working with the SEC and the Justice Dept. are the FBI and a federal grand jury here—and, reportedly, they are looking into stock manipulations forced by blackmail with the aid of prostitutes, and at least one Chicago murder.

The inquiry involves the Chicago branch of a now defunct Cleveland brokerage firm; dealings with the First National Bank of Lincolnwood, Ill., and seven stocks listed on the Amex.

The seven are Diversified Metals, Duraloy, Hercules Galion, Leece Neville, Pentron Electronics, Rowland Products and Savoy Industries.

The investigation was spotlighted Friday when it was discussed in an announcement by Amex president Ralph Saul.

Asked if Saul's announcement had hindered investigations, the U. S. Attorney's office refused to comment and the SEC said "It certainly doesn't help."

The Amex said yesterday that Saul's announcement was made because it was "appropriate and timely. There were a lot of rumors going around and we wanted to set the record straight."

The investigations are concerned with stock trades made in 1963 and 1966. There is nothing to indicate that any current trading is being looked at.

One ex-government official commented on the long time required by agencies to collect information.

"A government investigator

has to make a judgment as to how far to let things go before stepping in, to make sure he has enough information to bring a solid case," he said.

"Suppose a man involved in an alleged conspiracy to manipulate a stock's price is currently cooperating with the authorities. The easiest thing to do is to let him cooperate and let him go on with his co-conspirators. It is hard to say how long it takes to do these things. You have to break one guy at a time."

Key Figure Slain

A crucial figure in the investigations into alleged organized crime infiltration of the securities business was found murdered in Chicago on March 17, handcuffed with nine bullets in him, a victim of a typical gangland slaying.

The big question worrying the SEC is how to avoid such alleged market manipulation in the future.

The present investigations are concerned only with Amex and over-the-counter stocks and are part of the much broader problem of enforcement.

Such manipulation is possible because of two factors: there is a thin market in a stock [that is, a very few shares are available, a demand is created for those few shares, thus pushing the price up on purely technical ground], and the American Stock Exchange is a primary market.

The Primary Market

A primary market is one where transactions on an exchange get instant and extensive publicity. There are many stocks with a thin supply on the American Stock Exchange, but this is true of the Midwest Stock Exchange and other regional exchanges.

However, the Amex ticker

goes to brokerage firms all over the U. S. The Dow-Jones ticker, the broker's daily bible, sends news about Amex' stocks all over the U. S., whereas it is not apt to give space to news about unlisted securities.

This primary market, aided by news media and their coverage of the two largest exchanges, can create artificial interest in a particular stock or stocks that, aided by a thin supply of stock, can force the price up.

Economic Phenomenon

"This is an economic phenomenon," says an SEC official. "It would not help to take these stocks off the American Exchange because they would trade in the over-the-counter market which has even less control over trading."

The American Stock Exchange has not taken disciplinary action against any of its members or against any of the seven known stocks.

In fact, any disciplinary action, if and when it is taken, will not necessarily be made public. According to the SEC, the American Exchange will notify it of what action has been taken in reference to certain stock trades, at which point the SEC will be in a position to decide whether to bring a court proceeding.

If and when such actions are made public, a stockholder can sue the people or firms involved in the alleged market manipulation.

Amex Requirements

It is believed that at least four brokerage firms some of them major concerns, have suspended salesmen because they were involved with the trading of the issues in question.

The SEC has been working for some time, in conjunction with the Amex, to arrive at new listing and delisting requirements.

New York
Post
4/25/67

100-428091-

ENCLOSURE

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ROUTE IN ENVELOPE

Date: 4/27/67

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL REGISTERED
(Priority)

TO : DIRECTOR, FBI (100-428091)
 FROM : SAC, NEW YORK (100-134637)
 SUBJECT: SOLO
 IS-C

Re previous communications from NYO concerning
 NY 694-S*'s recent trip to Moscow.

NY 694-S* advises that in a conference with
 NIKOLAI MOSTOVETS, head of the North and South American
 Section of the International Department of the CCCPSU,
 he was told by the latter that MOSTOVETS did not believe
 that an international conference of all CP's would be
 held this year. MOSTOVETS stated that it was possible
 that such a conference might be held at the beginning
 of 1968.

According to MOSTOVETS, so far 68 CP's have
 agreed that such an international conference be held, the
 only Party opposing holding such a conference, besides
 the anti-Soviet group, being the CP of North Korea.

According to the informant, IGOR MIKHAILOV,
 Deputy to NIKOLAI MOSTOVETS, mentioned above, told the
 source that he had read in the "New York Times" the
 story of the millionaire HARRY KAPLAN's having died and
 having left to the Communists, HERBERT APTHEKER, PHILIP
 FONER and LEM HARRIS, a large sum of money. The source
 pretended not to know too much about this matter, and,
 when asked by MIKHAILOV the amount involved, stated that
 he thought that it amounted to about \$80,000.00.

100-428091-6220
 3 - Bureau (RM)
 1 - Chicago (134-46-Sub B) (AM RM)
 1 - NY 134-91 (INV) (41)
 1 - NY 100-134637 (41)

ACB:msb
 (7)

Approved: _____

65 MAY 11 1967 Special Agent in Charge

Sent _____ M Per _____

NY 100-134637

Some days later, the source advised, the Soviet security representative, "VLADIMIR," mentioned that he was aware of the fact that the amount of money involved had been one million dollars.

In a discussion with MOSTOVETS and MIKHAILOV, mentioned above, mention was made of PHILIP FONER's desire to visit the Soviet Union (see NY airtel 3/28/67, reflecting that the Soviets, by radio on 3/28/67, advised that PHILIP FONER, then in Cuba, had asked permission to lecture at the Moscow State University. The Soviets stated that since the University did not plan to have lectures by foreign scholars before the next semester, they desired to know whether FONER and his wife would be willing to go to Moscow under a CPUSA quota with respect to persons going to the Soviet Union for rest and medical treatment).

When the source advised MOSTOVETS and MIKHAILOV that, pursuant to GUS HALL's instructions, it would be permissible for FONER and his wife to go to the Soviet Union as guests, in accordance with the Soviet proposal, the source was told that FONER had changed his plans about going to Moscow. They said that he had applied at the Swiss Embassy in Havana to request USA permission to travel to China and North Vietnam. Apparently he had not received an answer to his request; he therefore had notified Moscow that he would go to the Soviet Union from Cuba.

The source advised MOSTOVETS and MIKHAILOV that the CPUSA is interested in obtaining information with respect to the best route to North Vietnam since China does not permit travel through its country. They replied that to their knowledge, no one is able to travel through China. They suggested a better route to North Vietnam would be via India or Hongkong.

NY 694-S* advised that on the occasion of his birthday on April 15, 1967, Soviets, including MOSTOVETS, MIKHAILOV, BORIS PONOMAROV, head of the International Department of the CCCPSU, E. KUSKOV, Deputy to PONOMAROV, TIMOR TIMOFEEV, ALEXEI GRECHUKIN and Soviet academician ITSAK MINTZ, attended a dinner in his honor in Moscow. PONOMAROV came in for a few moments, shook the informant's hand and congratulated him, and departed. During the course of the said dinner, the informant was presented with a gold Omega watch, which he estimates to be worth about \$300.00. The occasion was purely social in nature.

NY 100-134637

According to the source, his conversation with TIMOR TIMOFEEV (TIMMY DENNIS) and MINTZ was restricted to the following:

They discussed the burden that the Soviet Union has assumed in trying to convert its economic policy to emulate that of the capitalist countries, in that they are attempting to manufacture in accordance with fundamental laws of supply and demand. This "experiment" is costing the Soviets tremendous amounts of money. The information that TIMOFEEV and MINTZ have acquired concerning this matter is a result of their contact with numerous district leaders and economists throughout the Soviet Union who have the personal responsibility for putting into effect these new economic measures.

TIMOFEEV requested that NY 694-S* ask GUS HALL to send a delegation to a conference in September, which would be held under the auspices of the Institute of the International Labor Movement, Academy of Sciences, of which TIMOFEEV is the Director.

Mention was made of the defection from the Soviet Union of STALIN's daughter. Concerning her, TIMOFEEV smilingly remarked that he knew her because she had worked "at my institute." There were no further remarks concerning her.

ROUTE IN ENVELOPE

Date: 4/27/67

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL REGISTERED
(Priority)

TO : DIRECTOR, FBI (100-428091)
 FROM : SAC, NEW YORK (100-134637)
 SUBJECT: SOLO
 IS-C

Reference previous NYO communications concerning
 NY 694-S*'s trip abroad between April 2 and 17, 1967.

On 4/27/67, NY 694-S* advised SAS JOHN F. LANGTRY
 and ALEXANDER C. BURLINSON as follows:

On April 3, 1967, he arrived in Prague where he
 was met at the airport by FRANTICEK KOPTA, member of the
 International Department of the Central Committee of the
 Communist Party of Czechoslovakia (CCCPCZ) in charge of the
 USA. KOPTA made arrangements for the source's transportation
 to Moscow and also arranged that he stay, while in Prague,
 at the Hotel Prague.

KOPTA subsequently introduced the source to
 A. SOBOLEV, Assistant Editor-in-Chief of the "World Marxist
 Review" (WMR). Before leaving for Moscow, the source
 conferred with SOBOLEV and KOPTA, who informed him that,
 upon the source's return from Moscow, they would have ready
 for him certain royalties due to CPUSA officials for
 articles published in the WMR. While in Prague at this
 time, the informant met IGOR MIKHAILOV, Assistant to
 NIKOLAI MOSTOVETS, head of the North and South American
 Section of the International Department of the CCCPSU, who
 stated that he was en route to Moscow and would await the
 source's arrival there at the Moscow airport.

1 - Bureau (RM)
 1 - Chicago (134-46-Sub B) (AM RM)
 1 - NY 134-91 (INV) (41)
 1 - NY 100-134637 (41)

ACB:msb
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REC-21 100-428091-622
 EX-103 MAY 1 1967

Approved: _____ Sent _____ M Per _____

Special Agent in Charge

65 MAY 3 1967

NY 100-134637

KOPTA and SOBOLEV introduced the source to G. P. FRANTSOV, Editor-in-Chief of the WMR, who was a member of the CCCPCZ. FRANTSOV expressed deep concern about statements in MANCHESTER's book, "Death of a President," referring to the "red alert" at the time of the assassination of President KENNEDY. FRANTSOV was concerned particularly about the American attitude that had linked the assassination with danger of war with the Soviet Union or Cuba. Conversations of the source with the above-named Czechs, other than that described above, were purely social in nature.

On April 17, 1967, the source left Moscow and proceeded immediately to Prague, where he was greeted at the airport by BACLAV FRYBERT, of the International Department of the CCCPCZ in charge of "Western countries," and by FRANTICEK KOPTA, mentioned above. They mentioned that they had been concerned about the fact that they had expected to meet DOROTHY HEALEY and HY LUMER in Prague, en route to the East Berlin conference. After waiting three days at the airport for them, they finally came to the conclusion that HEALEY and LUMER were not going to stop at Prague. (The source stated that he has ascertained that HEALEY and LUMER had gone directly from New York to East Berlin without any stopover at Prague.)

Reference NY airtel April 21, 1967, with accompanying LHM, concerning a meeting of European CP's at Karlovy Vary, Czechoslovakia, between April 24 and 27, 1967. The aforesaid communication reflects that certain Scandinavian CP's would send delegates to the aforesaid congress, but probably would not commit themselves to signing any agreements opposing NATO. The said communication also reflected that the CPUSA had solicited the opinion of European CP's with respect to whether or not the CPUSA should send an observer to the said congress.

Concerning the above-mentioned European CP congress, FRYBERT and KOPTA stated that it would be a particularly bad precedent to permit an observer from another continent to attend a congress of European CP's, although it was true that there should be a feeling of

NY 100-134637

internationalism among CP's. They said that they knew that the British CP shared this view.

The said Czech functionaries further stated that they knew that Iceland would send a delegate to the congress but would not commit itself to signing any document in opposition to NATO; that Denmark, Norway and Sweden had hesitated about attending the congress, but had decided to attend, although they would not commit themselves with respect to the matter of NATO. According to FRYBERT and KOPTA, in such an atmosphere it would not be well for an outside "observer" to be "breathing down the necks" of those attending the congress.

FRYBERT and KOPTA further stated that the Romanians were becoming "more difficult" everyday, and that the Austrians have been "bellowing and yowling" for many months for recognition as a European party. They said that the Austrians would attend the congress "with tongues in cheek," intending either to make protests or to obtain concessions. They also stated that ANTONIN NOVOTNY, First Secretary of the CPCZ, definitely would not attend the said congress.

FRYBERT and KOPTA further stated that the Czechs had been severely economically injured by the Chinese. They mentioned that in 1958, the Chinese repudiated a contract for the purchase of agricultural machinery, as a result of which the Czechs lost "billions of crowns." They said the machinery had been sent to China, pursuant to contract, but had been sent back to Czechoslovakia. According to the aforesaid Czech CP functionaries, there is absolutely "no relationship between the Chinese and Czech Parties," but relations are maintained between the governments of Czechoslovakia and China.

They stated that they were very happy about the good relationship that exists between the CPUSA and the CPCZ. They expressed pleasure that GUS HALL had seen fit to visit Czechoslovakia recently and they are looking forward to a visit from CPUSA delegates to the May 1st celebration in Moscow. They hoped that some of these delegates, after the May 1st celebration in Moscow, will

NY 100-134637

go to Czechoslovakia and meet with groups there interested in the civil rights movement and the Negro question. They mentioned specifically that they hoped that [redacted] and Dr. [redacted] members of the CPUSA delegation, would go to Czechoslovakia after the May 1st celebration.

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b7C

FRYBERT and KOPTA were delighted to read of the successful peace demonstrations that had taken place in the USA on April 15, 1967. They were very interested in learning from the source full details concerning the peace movement in the USA. They were interested to learn how popular President JOHNSON now is in the USA and were interested also in the source's opinion with respect to whether or not President JOHNSON would be re-elected. Regarding the visit to European countries by former Vice-President NIXON, they stated that they were "not impressed."

The informant subsequently met with A. SOBOLEV, mentioned above, who gave to the source \$1,080.00 to be delivered to CP functionaries as royalties for articles published by the WMR. They did not specify how much of this sum was to be allocated to each individual, but advised the informant that the royalties were due to GUS HALL, GIL GREEN, HENRY WINSTON, GEORGE MEYERS, HY LUMER and HERBERT APTHEKER. They said they were very happy about the WMR issue that had contained five articles by leading Communists of the CPUSA.

The only other person whom the source contacted in Prague at this time was an old friend--MOLLY PEARLMAN, who is a translator at the WMR, and who, in the past, had acted as a governess for TIMOR TIMOFEEV during the latter's childhood. The only pertinent comments made by MOLLY PEARLMAN, ^{REGARDING MATTER'S} which she had learned from Soviets in a position to know, were, one, that the change in the Soviet economy is a "great headache" to the Soviets by reason of the expense involved; (the reference here is to the current Soviet attempt to emulate capitalist economy with respect to the laws of supply and demand); and, two, that the relationship between Cuba and the Soviet Union has never been worse, since CASTRO never has, and never ~~can~~ will, forgive the Russians for the missile crisis.

ROUTE IN ENVELOPE

Date: 4/28/67

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL REGISTERED
(Priority)

TO : DIRECTOR, FBI (100-428091)
 FROM : SAC, NEW YORK (100-134637)
 SUBJECT: SOLO
 IS-C

Reference previous NYO communications concerning
 NY 694-S*'s trip abroad between April 2 and 17, 1967.

Enclosed herewith for the Bureau are the original
 and four copies, and for the Chicago Office, one copy, of
 an LHM captioned "Tour of the Soviet Union for Journalists
 of Youth Newspapers and Magazines - April 29 to June 1,
 1967."

The information set forth in the enclosed LHM
 was furnished to SAS JOHN F. LANGTRY and ALEXANDER C.
 BURLINSON by NY 694-S* on 4/27/67.

The enclosed LHM is classified "~~Top Secret~~"
 since unauthorized disclosure of the information set forth
 therein could reasonably result in the identification of
 this source, who is furnishing information on the highest
 level concerning the international Communist movement.
 Such disclosure could adversely effect the national security.

In order to further protect the identity of this
 source, the enclosed LHM reflects that it has been prepared
 at Washington, D. C.

- 1-904 940 info level delayed
 ③ Bureau (Enc. 6) (RM) 2 copies delayed
 1 - Chicago (134-46-Sub B) (Enc. 2) (AM RM)
 1 - NY 134-91 (INV) (41)
 1 - NY 100-134637 (41)

ACB:msb
 (7)

REC-21

EX-103

3 MAY 1 1967

Approved: _____

Sent _____ M Per _____

Special Agent in Charge

65

8

55

NY 100-134637

While in Moscow between April 5 and 17, 1967, NY 694-S* was given by NIKOLAI MOSTOVETS, head of the North and South American Section of the International Department of the Central Committee of the Communist Party of the Soviet Union, a letter from the Committee of Youth Organizations of the USSR, dated February 18, 1967, for transmittal to the Youth Commission of the CPUSA. According to MOSTOVETS, a similar letter was being sent to the Du Bois Clubs of America. This letter is an announcement to the effect that the Soviets plan to organize for the period April 29 to June 1, 1967, a tour of the Soviet Union for journalists of youth newspapers and youth magazines. The aforesaid letter reflects that the Committee of Youth Organizations of the USSR desires to invite a representative of the magazine "Young Communist" to take part in the aforesaid tour. A copy of the aforesaid letter is attached hereto.



In Reply, Please Refer to
File No.

~~TOP SECRET~~
UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

Washington, D. C.
April 28, 1967

~~TOP SECRET~~

Tour of the Soviet Union for
Journalists of Youth Newspapers
and Magazines - April 29 to June 1,
1967

A source, who has furnished reliable information in the past, in April 1967, advised as follows:

Inasmuch as the year 1967 is the anniversary of the 50th anniversary of the Great October Socialist Revolution, in connection therewith, the Soviets plan to organize, for the period April 29 to June 1, 1967, a tour of the Soviet Union for journalists of youth newspapers and youth magazines. The aforesaid tour will include visits to Moscow, Leningrad, the Baltic Republics, the Ukraine, the Caucasus, and Central Asia.

The tour participants will be in a position to familiarize themselves with various aspects of Soviet life; visits to places of revolutionary events and battles; industrial enterprises, collective farms, state farms, higher educational establishments and schools, editorial offices of youth newspapers and magazines, etc. As part of the tour program, there will be conferences with outstanding statesmen and public figures of the USSR, representatives of Soviet science and culture, young workers, collective farmers and students.

A representative of the Communist Party, USA magazine "Young Communist" will be invited to take part in this tour.

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

~~TOP SECRET~~
~~GROUP 1~~

Excluded from automatic
downgrading and
declassification

100-428091-6222



КОМИТЕТ МОЛОДЕЖНЫХ ОРГАНИЗАЦИЙ СССР

COMMITTEE OF YOUTH ORGANISATIONS OF THE USSR
COMITÉ DES ORGANISATIONS DE LA JEUNESSE DE L'URSS
COMITE DE LAS ORGANIZACIONES JUVENILES DE LA URSS

Москва, ул. Бориса Хмельницкого, 7/8
Moskwa, Bogdan Khmel'nitsky, 7/8

Телефон Б 6-39-11

Для телеграмм: МОСКВА-СОВМОЛ
Telegr.: SOVMOL MOSKOW

№ 353 Moscow, 18 " February 196 7 г.

Youth Commission
of the Communist Party of the USA

Dear Friends,

The year of 1967 is a momentous year for the Soviet youth and the entire people of our country. This is the year of the 50th anniversary of the Great October Socialist Revolution, a semi-centennial jubilee of the Soviet state. The young people of the USSR are preparing to mark this significant date on a broad scale.

In the current year we expect to receive as our guests a large number of our foreign friends. They will get acquainted with the life of the Soviet people and its younger generation, and will take part in the International Youth Meeting in Leningrad devoted to the 50th anniversary of the October Revolution, in bilateral festivals of friendship, youth camps and many other events.

We also plan to organise in the period from April 29 to June 1 1967, a tour of the Soviet Union for journalists of youth newspapers and magazines.

We plan to include into the tour programme visits to Moscow, Leningrad, the Baltic Republics, the Ukraine, the Caucasus, and Central Asia.

The tour participants will be able to familiarise themselves with most diverse aspects of the Soviet reality: visit the places of the revolutionary events, battles and labour exploits of the Soviet people, industrial enterprises, collective farms, state farms, higher educational establishments and schools, editorial offices of youth newspapers and magazines. The programme of the tour also envisages talks with outstanding statesmen and public figures of the USSR; representatives of the Soviet science and

- 2.

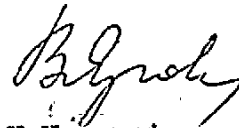
culture, young workers, collective farmers, and students.

We invite a representative of the magazine Young Communist to take part in the tour.

All the expenses involved in the passage to and stay in the Soviet Union will be covered by the Central Committee of the Leninist Young Communist League of the USSR and the Committee of Youth Organisations of the USSR.

Please inform us about your decision as soon as possible.

Since the tour programme has been drawn up only in general outline we should like to have your concrete proposals and wishes, to learn about your special interests so as to take them into account in the fullest measure during your tour of the USSR.



V. Yarovoi,
Chairman,
Committee of Youth Organisations
of the USSR

ROUTE IN ENVELOPE

Date: 4/28/67

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL REGISTERED MAIL
(Priority)

TO : DIRECTOR, FBI (100-428091)

FROM: SAC, CHICAGO (134-46 Sub B)

SOLO
IS-C

ReCGairtel 2/10/67 and enclosed informant's statement captioned, "Discussion with Representative of Security Branch, International Department, Central Committee, Communist Party of the Soviet Union, January, 1967."

Enclosed herewith for the Bureau are three copies and for the New York Office one copy of an informant's statement captioned, "[redacted] Washington, D.C."

The information set forth in the enclosed informant's statement was orally furnished by CG 5824-S*, who has furnished reliable information in the past, on 4/15 and 22/67 to SAs WALTER A. BOYLE and RICHARD W. HANSEN.

1-904 940
③-Bureau (Enc. 3)(RM)
1-New York (100-134637)(Enc. 1)(Info)(RM)
1-Chicago

RWH:MDW
(5)

EX-103

REC-21

3 MAY 1 1967

Approved: [Signature]
65 Special Agent in Charge

Sent _____ M Per _____

 WASHINGTON, D. C.

b6
b7C

It will be recalled that in his meetings with representatives of the Communist Party of the Soviet Union (CPSU), including meetings with a representative of the Security Branch, International Department, Central Committee, CPSU, which took place in Moscow, USSR, during the Fall of 1966, Gus Hall, General Secretary of the Communist Party, USA (CP, USA), indicated he had many contacts including political personalities in Washington, D. C., and elsewhere. In connection with this, Hall promised to provide the Russians with a listing of some of these contacts.

In January, 1967, this same matter was raised by representatives of the CPSU in Moscow; however, they could not be supplied with such names as Hall had not yet made them available. The continued interest of the CPSU in such contacts described by Hall was made known to that individual in late January, 1967.

In March, 1967, while Hall was having breakfast in a New York hotel, a man and a woman, obviously husband and wife, entered the restaurant. These people immediately recognized Hall and came over to his table and engaged in conversation with him. Later, Hall remarked that this couple operated an art gallery in Washington, D. C., and were active in the peace movement. This couple, he stated, knew numerous diplomatic representatives in Washington who come to their art gallery. Hall stated that these people were not bad contacts and might be the type of people that the Russians were interested in. He described these people as reliable and noted that once during the period of the underground he had stayed with them, apparently at their home. Hall suggested that perhaps the identities of these people could be provided to the Russians.

Subsequently, Hall provided a business card which he noted identified the above-mentioned couple. This business card read as follows:


Washington 7, D. C.


b6
b7C

160-428091-
-1-
ENCLOSURE

ROUTE IN ENVELOPE

Date: 4/28/67

Transmit the following in _____
(Type in plaintext or code)

Via AIRTEL REGISTERED
(Priority)

TO : DIRECTOR, FBI (100-428091)
FROM : SAC, NEW YORK (100-134637)
SUBJECT: SOLO
IS-C

Reference previous NYO communications concerning
NY 694-S*'s trip abroad between April 2 and 17, 1967.

Enclosed herewith for the Bureau are the original
and four copies, and for the Chicago Office, one copy, of
an LHM captioned "International Youth Meeting Devoted to
50th Anniversary of the Great October Socialist Revolution--
July 24 - August 3, 1967."

The information set forth in the enclosed LHM
was furnished to SAS JOHN F. LANGTRY and ALEXANDER C.
BURLINSON by NY 694-S* on 4/27/67.

The enclosed LHM is classified "~~Top Secret~~"
since unauthorized disclosure of the information set forth
therein could reasonably result in the identification of
this source, who is furnishing information on the highest
level concerning the international Communist movement.
Such disclosure could adversely effect the national security.

In order to further protect the identity of this
source, the enclosed LHM reflects that it has been prepared
at Washington, D. C.

1-904 9-0 with 2 incl.
3 - Bureau (Enc. 7) (RM) destroyed 100-428091-6224
1 - Chicago (134-46-Sub B) (AM RM) (Enc. 3)
1 - NY 134-91 (INV) (41)
1 - NY 100-134637 (41)

ACB:msb
(7)

Let to State + CIA
5/18/67
RHA: as per III. E.

6 MAY 1 1967

Approved: _____
Special Agent in Charge

Sent _____ M Per _____

65 MAY 8 1967

NY 100-134637

While in Moscow between April 5 and 17, 1967, NY 694-S* was given by NIKOLAI MOSTOVETS, head of the North and South American Section of the International Department of the Central Committee of the Communist Party of the Soviet Union, for transmittal to the Youth Commission of the CPUSA, two letters from the Committee of Youth Organizations of the USSR, dated February 16 and April 13, 1967, respectively. According to MOSTOVETS, a copy of these letters was also being sent to the Du Bois Clubs of America. Copies of the aforesaid letters are attached hereto.



~~TOP SECRET~~
UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

In Reply, Please Refer to
File No.

Washington, D. C.
April 28, 1967

~~TOP SECRET~~

International Youth Meeting Devoted
to 50th Anniversary of the Great October
Socialist Revolution--July 24 - August 3,
1967

A source, who has furnished reliable information
in the past, in April 1967, advised as follows:

In connection with the celebration of the 50th
anniversary of the Great October Socialist Revolution, and
the great interest therein of the youth of countries outside
the Soviet Union, Soviet youth organizations plan to hold
an international youth meeting devoted to the aforesaid
anniversary. Foreign participants are expected to arrive
in Moscow on July 14 and 15, 1967.

All participants are to arrive on July 24,
1967, in Leningrad, where the opening ceremonies will be held
on July 24, 1967. The closing ceremonies will be held in
the same city on August 3, 1967.

This document contains neither recommendations
nor conclusions of the FBI. It is the property
of the FBI and is loaned to your agency; it
and its contents are not to be distributed
outside your agency.

~~TOP SECRET~~
~~GROUP 1~~

Excluded from automatic
downgrading and
declassification

44-38861-42591-6224



КОМИТЕТ МОЛОДЕЖНЫХ ОРГАНИЗАЦИЙ СССР

COMMITTEE OF YOUTH ORGANISATIONS OF THE USSR
COMITÉ DES ORGANISATIONS DE LA JEUNESSE DE L'URSS
COMITE DE LAS ORGANIZACIONES JUVENILES DE LA URSS

Москва, ул. Богдана Хмельницкого, 7/8
Moskwa, Bogdan Khmelinsky, 7/8

Телефон Б 6-39-11

Для телеграмм: МОСКВА-СОВМОЛ
Telegr.: SOVMOL MOSKOW

№ 276

„16“ II 1967 г.

Youth Commission
of the Communist Party of the U.S.A.

Dear Friends,

In 1967 the Soviet youth, together with the entire Soviet people, will celebrate the 50th anniversary of the Great October Socialist Revolution.

In the 50 years of the existence of the Soviet state our country changed beyond recognition. The USSR has passed a tremendous historical road from the landlord-capitalist system to radical socialist transformations, to a society without exploitation; from the political rightlessness of the working people to the socialist democracy; from the national oppression of the peoples to freedom and equality, friendship and fraternity, from the technical and economic backwardness to modern industry and agriculture; from illiteracy to the unheard-of growth of public education, science and culture. Our people are by right proud of their successes achieved due to the Great October Socialist Revolution and are preparing to celebrate the coming jubilee of the Soviet state on a broad scale.

The Great October Socialist Revolution has a great world importance and is of a profound international character.

In view of the great interest shown by the youth of foreign countries in the life and work of the Soviet people and youth, Soviet youth organisations plan to hold this year an International Youth Meeting devoted to the 50th anniversary of the Great October Socialist Revolution.

The Preparatory Committee of the International Meeting has been set up. It is made up of representatives of youth organisations of our country, the best representatives of the Soviet youth, young scientists and artists, sportsmen and well-known public figures. Among the members of the Preparatory Committee are: Yu. Gagarin, the first cosmonaut, Hero of the Soviet Union; G. Maslennikov, Hero of Socialist Labour and Deputy to the Supreme Soviet of the USSR; L. Sysoyeva, Hero of Socialist Labour; Yu. Zhuravlyov, Doctor of Sciences, Lenin Prize Laureate; N. Kuchinskaya, Honoured Master of Sports, World Champion; M. Sholokhov, the writer; S. Pavlov, First Secretary of the Komsomol Central Committee; S. Zakariadze, People's Artist of the USSR; I. Tumanov, chief producer of the Bolshoi Theatre, and others. The Preparatory Committee will be in charge of the entire preparations for the holding of this Meeting.

In the framework of the International Meeting its participants will be given broad opportunities of familiarizing themselves with the achievements of the Soviet people in the construction of Communist society, with the living, working and study conditions of various strata of the Soviet youth, with the activities of the Soviet youth organisations.

With this aim in view we plan, in particular, to organise tours of the Soviet Union for the foreign participants of the Meeting, to show them industrial enterprises, collective farms, state farms, secondary and higher educational establishments

After that, representatives of the Soviet youth, prominent public figures, scientists, workers of culture and arts will address the Meeting participants with reports in Leningrad, the cradle of the Great October Socialist Revolution. The participants in the Meeting will have the opportunity to meet experts in science, education, sociology, culture, etc. At the Meeting we could exchange ideas on the most important problems agitating the youth of various countries and continents today.

The preliminary dates of the Meeting, including the tour of the country, are the second half of July -- the beginning of August, 1967.

In the course of the Meeting we could also discuss problems of the development of bilateral contacts between our organisations for the coming period.

Dear Friends,

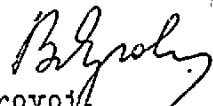
We are pleased very much to invite a 2-person delegation of your organisation to the Meeting. The Preparatory Committee will cover all the expenses involved in the passage and stay of your delegation.

We shall send you in the nearest future detailed information about the programme and exact dates of the Meeting.

Please inform us about the decision taken by your organisation.

Friendly greetings,

for the Preparatory Committee
of the Meeting,


V. Yarovoi,
Chairman of the Committee of
Youth Organisations of the USSR

~~SECRET~~

DECLASSIFICATION AUTHORITY DERIVED FROM:
FBI AUTOMATIC DECLASSIFICATION GUIDE
DATE 11-30-2011

1 - Liaison
1 - Mr. R. H. Horner

Date: April 27, 1967

To: Director
Bureau of Intelligence and Research
Department of State

From: John Edgar Hoover, Director

Subject: ~~MEETING OF EUROPEAN COMMUNIST PARTIES~~
~~AT KARLOVY VARY, CZECHOSLOVAKIA~~
~~APRIL 24-27, 1967~~

The following was supplied by a source which has furnished reliable information in the past.

In early April, 1967, an important functionary of the International Department of the Central Committee of the Communist Party of the Soviet Union (CPSU) made the following comments.

A meeting of eastern European communist parties is to be held at Karlovy Vary, Czechoslovakia, during April 24-27, 1967. The purpose of this meeting is to organize opposition to the strengthening of the North Atlantic Treaty Organization (NATO).

The Scandinavian Communist Parties (Iceland, Denmark, Norway, and Sweden) are noncommittal concerning signing any agreement reached at this forthcoming meeting. Austria and Romania have already indicated that they would not sign an agreement opposing NATO. The Communist Party, USA, has solicited the opinions of eastern European communist parties as to whether it should send a representative to this meeting. The reaction of these parties to Communist Party, USA, attendance is not known.

1 - Director
Central Intelligence Agency
Attention: Deputy Director, Plans

Tolson _____
DeLoach _____
Mohr _____
Wick _____
Casper _____
Callahan _____
Conrad _____
Felt _____
Gale _____
Rosen _____
Sullivan _____
Tavel _____
Trotter _____
Tele. Room _____
Holmes _____
Gandy _____

RHH:dmk

(6)

GROUP 1

Excluded from automatic
downgrading and
declassification

MAIL ROOM ☐ TELETYPE UNIT ☐

BY COURIER SVC.
34 APR 28
COMM-FBI

REC-13

APR 28 1967

~~SECRET~~

SEE NOTE PAGE TWO

~~SECRET~~

Director
Bureau of Intelligence and Research
Department of State

NOTE:

Classified "~~Secret~~" since unauthorized disclosure of this information could reveal the identity of the source (NY 694-S*) who is of continuing value and such revelation could result in grave damage to the Nation.

This information was received by the informant from Nikolai Mostovets, head of the North and South American Section of the International Department, Central Committee, CPSU, while on Solo Mission 23.

Data extracted from New York airtel, 4/21/67, captioned "Solo, IS-C."

~~SECRET~~

DECLASSIFICATION AUTHORITY DERIVED FROM:
FBI AUTOMATIC DECLASSIFICATION GUIDE
DATE 11-30-2011

Date: April 27, 1967

1 - Liaison
1 - Mr. R. H. Horner

To: Director
Bureau of Intelligence and Research
Department of State

From: John Edgar Hoover, Director

Subject: ~~SEVENTH CONGRESS OF THE SOCIALIST
UNITY PARTY OF GERMANY (SUPG)~~

The following was supplied by sources which have furnished reliable information in the past.

In early April, 1967, an important functionary of the International Department of the Central Committee of the Communist Party of the Soviet Union (CPSU) made the following comments.

The Seventh Congress of the SUPG will "not go well" since there is no full agreement among the communist parties in Europe with regard to the matters to be discussed there. There is deep disagreement between Czechoslovakia and East Germany regarding the Hallstein Plan (West Germany's recognition of some communist countries but refusal to recognize East Germany).

Cuba has served notice on the SUPG that it will not send a representative to the Congress.

The CPSU is concerned about the Congress and is sending some of its top leaders as representatives.

1 - Director
Central Intelligence Agency

REC'D Attention: Deputy Director, Plans

Tolson _____
DeLoach _____
Mohr _____
Wick _____
Casper _____
Callahan _____
Conrad _____
Felt _____
Gale _____
Rosen _____
Sullivan _____
Tavel _____
Trotter _____
Tele. Room _____
Holmes _____
Gandy _____

RRH:dmk
(6)

~~SECRET~~

GROUP 1

Excluded from automatic
downgrading and
declassification

SEE NOTE, PAGE TWO

APR 28 1967

59 MAY 5 1967
MAIL ROOM ☐ TELETYPE UNIT ☐

~~SECRET~~

Director
Bureau of Intelligence and Research
Department of State

NOTE:

Classified "~~Secret~~" since unauthorized disclosure of this information could reveal the identity of the source (NY 694-S*) who is of continuing value and such revelation could result in grave damage to the Nation.

This information was received by the informant from Nikolai Mostovets, head of the North and South American Section of the International Department, Central Committee, CPSU, while on Solo Mission 23.

Data extracted from New York airtel, 4/21/67, captioned "Solo, IS-C."

NY 694-S* referred to as "sources" to further protect the identity of this valuable informant.

~~SECRET~~

TELETYPE UNIT
APR 20 1967
ENCODED MESSAGE

Mr. Tolson	_____
Mr. DeLoach	_____
Mr. Mohr	_____
Mr. Wick	_____
Mr. Casper	_____
Mr. Callahan	_____
Mr. Conrad	_____
Mr. Felt	_____
Mr. Gale	_____
Mr. Rosen	_____
Mr. Sullivan	_____
Mr. Tavel	_____
Mr. Trotter	_____
Tele. Room	_____
Miss Holmes	_____
Miss Gandy	_____

FBI NEW YORK /11

734PM URGENT 4/20/67 WMS

TO DIRECTOR 100-428091

FROM NEW YORK 100-134637 /11

SOLO; IS-C.

S-R P. [Signature]
[Signature]

ON APRIL NINETEEN AND TWENTY INSTANT, NY SIX NINE FOUR - S
ASTERICK FURNISHED THE FOLLOWING "HIGHLIGHTS" OF HIS VISIT TO
MOSCOW BETWEEN APRIL FOURTH AND SEVENTEENTH LAST;

FOR ABOUT FOUR HOURS A DAY, DURING A PERIOD OF FIVE DAYS, NY
SIX NINE FOUR - S ASTERICK WAS INTERVIEWED EXTENSIVELY BY A
REPRESENTATIVE OF THE SECURITY BRANCH OF THE INTERNATIONAL DEPARTMENT
OF THE CCCPSU, WHO INTRODUCED HIMSELF ONLY AS "MAN IN CHARGE OF
SECURITY FOR THE CENTRAL COMMITTEE". VLADIMIR QUESTIONED
END PAGE ONE

EX-113

REC 30 100-428091-6227

6 MAY 2 1967

65 MAY 5 1967

PAGE TWO

SOURCE IN DETAIL REGARDING EVERY PHASE OF THE SOLO OPERATION SINCE IT INCEPTION- PARTICULARLY THE MODUS OPERANDI OF EACH PHASE, AND WAS OBVIOUSLY SEEKING INFO REFLECTING SECURITY BREACHES IN THE SAID OPERATION. SOURCE WAS QUESTIONED CONCERNING HIS PARTY CONTACTS, THE NUMBER AND MODUS OPERANDI OF HIS CONTACTS WITH GUS HALL, AND WITH CG FIVE EIGHT TWO FOUR - S (ASTERICK); CONCERNING THE NUMBER AND MODUS OPERANDI OF CG FIVE EIGHT TWO FOUR - S ASTERICKS CONTACTS WITH GUS HALL. VLADIMIR ASKED SEARCHING QUESTIONS REGARDING THE SOURCE'S COVER AND TESTED THE LATTER WITH RESPECT TO CIPHERING AND DECIPHERING RADIO MESSAGES, WHICH TEST THE SOURCE SAYS HE PASSED SATISFACTORILY.

VLADIMIR STATED THAT THE INTERROGATION TO WHICH SOURCE WAS BEING SUBJECTED WAS NECESSARY IN THE CASE OF ALL PERSONS HAVING DONE, FOR FIVE YEARS, WORK SIMILAR TO THAT OF THE SOURCE. HE SAID THE SOVIET'S EXPERIENCE HAS BEEN THAT "THE ENEMY" (FBI) ALWAYS ALLOWS A PERSON TO WORK FOR FIVE YEARS AND THEN EXPOSES AND SMASHES HIS APPARATUS.

END PAGE TWO

PAGE THREE

VLADIMIR WAS EQUALLY SEARCHING IN HIS QUESTIONS CONCERNING THE MODUS OPERANDI OF SOVIETS, PAST AND PRESENT, WHO HAVE BEEN IN CONTACT WITH THE SOURCE. SOURCE SENSED THAT THE INTERROGATION WAS NOT - AS VLADIMIR STATED - A ROUTINE MATTER, BUT INVOLVED SOMETHING REALLY SERIOUS AND HIGHLY DISTURBING TO THE SOVIETS WITH REGARD TO THEIR OVER-ALL INTELLIGENCE OPERATIONS IN THE USA. VLADIMIR OBVIOUSLY WAS AS INTERESTED IN FINDING DEFECTS IN THE SOVIETS CONTACT'S OPERATIONS AS HE WAS IN THE SOURCE.

ON THE FOURTH DAY OF INTERROGATION SOURCE DECIDED TO ASSUME A MILITANT ATTITUDE TOWARD VLADIMIR. HE TOLD THE LATTER HE COULD UNDERSTAND VLADIMIR'S SEARCHING FOR DEFECTS IN THE SOURCE'S OPERATIONS, BUT THAT IT WAS OBVIOUS THAT VLADIMIR WAS PROBING FOR SOMETHING DEEPER THAT IS EVIDENCE OF SOMETHING WRONG WITH SOVIET SECURITY IN NEW YORK. VLADIMIR ADMITTED THAT SUCH WAS TRUE. AT THIS POINT, SOURCE ASKED WHY DELIVERY OF MONEY TO THE CPUSA HAD BEEN CANCELED.

END PAGE THREE

PAGE FOUR

VLADIMIR REPEATED WHAT HAD BEEN PREVIOUSLY REPORTED BY THE SOVIETS TO THE CPUSA BY RADIO; THAT THEIR "MAN IN NEW YORK IS SICK". SOURCE STATED HE KNEW THIS REPLY WAS NOT ACCURATE BECAUSE ON HIS ARRIVAL IN MOSCOW, NICKOLAI MOSTOVETS, HEAD OF THE NORTH AND SOUTH AMERICAN SECTION OF THE INTERNATIONAL DEPARTMENT OF THE CCCPSU, HINTED THAT THERE WAS VERY SERIOUS TROUBLE IN THE SOVIET ESTABLISHMENT IN NYC. THE SOURCE HAD INFORMED MOSTOVETS THAT HE HAD COME TO MOSCOW TO DISCUSS AMONG OTHER MATTERS, THE SOVIET FAILURE TO DELIVER MONEY TO THE CPUSA. MOSTOVETS HAD THEN MADE THE REMARK ABOVE.

SOURCE THEN TOLD VLADIMIR HE HAD FOUND HIS PRESENT CONTACT -TALANOV- AN EXCELLENT OPERATOR WHO HANDLED HIS ASSIGNMENTS WITH CONSUMMATE SKILL AND INTELLIGENCE. (SINCE SOURCE CURRENTLY WORKS WITH TALANOV, HE FELT IT WOULD BE INJUDICIOUS TO CRITICIZE THE LATTER TO VLADIMIR). HOWEVER, SOURCE THEN ADVISED VLADIMIR OF THE "AMATEURISH OPERATIONS" OF SOME OF THE SOURCES PREVIOUS "YOUNGER" SOVIET CONTACTS AND CALLED TO THE SOVIET'S ATTENTION THAT,

END PAGE FOUR

PAGE FIVE

DESPITE THE SOURCE'S WARNING, A RENDEZVOUS FOR TRANSFER OF MONEY WAS DANGEROUS BY REASON OF POLICE INTEREST IN THE AREA, THE SOVIETS NEVERTHELESS INSISTED UPON RETAINING THE SAID RENDEZVOUS.

VLADIMIR, AT THIS POINT, HAD DROPPED THE ROLE OF A SEARCHING PROSECUTOR AND TO SOME EXTENT EXPLAINED THE REASON FOR MANY OF HIS QUESTIONS. HE SAID THAT A SERIOUS PROBLEM EXISTED BY REASON OF THE FACT THAT DOPE PUSHERS, JUNKIES AND THE MAFIA EMPLOY MANY OF THE SAME METHODS OF CONTACT AS DO THE SOVIETS - FOR EXAMPLE, THEY USE MAGNETS ATTACHED TO SINKS IN BARROOMS AND EXCHANGE OF BAGS FROM ONE AUTOMOBILE TO ANOTHER. THE FBI, VLADIMIR SAID, IS ALERT TO THESE CRIMINAL OPERATIONS AND VERY WELL COULD BECOME AWARE OF SOVIET INTELLIGENCE OPERATION UNDER SUCH CIRCUMSTANCES. BLUFFING VLADIMIR, THE SOURCE SUGGESTED THAT THE SOVIETS CEASE, OR LIMIT, THE USE OF ANY SOLO OPERATION WHICH THEY CONSIDERED DANGEROUS. VLADIMIR STATED HE

END PAGE FIVE

PAGE SIX

WOULD DISCUSS THIS MATTER WITH HIS SUPERIOR IN THE CENTRAL COMMITTEE. HE LATER ADVISED THAT AS A RESULT OF SUCH CONSIDERATION, IT WAS DECIDED NOT TO MAKE ANY CHANGE IN THE RADIO OPERATIONS OR IN THE CIPHERS AND CODES NOW IN USE.

VLADIMIR HAD SOURCE INSTRUCTED BY "AN EXPERT" IN THE USE OF WHAT APPEARED TO THE SOURCE TO BE AN IMPROVED MICRO-TRANSCIVER, WHICH ALLEGEDLY WILL TRANSMIT FOR A DISTANCE OF A MILE IN CITY OR COUNTRY. THE SOURCE WILL BE ADVISED BY VLADIMIR WHERE TO OBTAIN THE MICRO-TRANSCIVER THAT CAN BE MODIFIED FOR USE AS ABOVE DESCRIBED. THIS APPARATUS WILL CONSTITUTE "A NEW METHOD OF CONTACT."

AS A SIGNAL FOR A MEET OR DROP, THE SOVIETS WILL EMPLOY A METHOD NOT SPECIFICALLY DESCRIBED UTILIZING A TELEVISION SET. ON A PARTICULAR CHANNEL AT A SPECIFIC TIME, HORIZONTAL STREAKS WILL APPEAR ON THE SOURCE'S TELEVISION - SAID STREAK CONSTITUTING A SIGNAL.

END PAGE SIX

PAGE SEVEN

VLADIMIR ADVISED SOURCE THAT DELIVERY OF SOVIET MONEY WOULD BE MADE ON THE THIRD SATURDAY IN MAY, SIXTY SEVEN, AT NINE PM., AT A PREVIOUSLY AGREED UPON RENDEZVOUS IN WASTCHESTER COUNTY.

IN DISCUSSION WITH VLADIMIR CONCERNING SOURCE'S OBTAINING PASSPORTS FOR THE SOVIETS, SOURCE POINTED OUT THE NUMEROUS PROBLEMS AND DANGERS INVOLVED IN SUCH AN OPERATION. HE SAID HE WAS SURE THAT THE CPUSA WOULD NOT APPROVE OF SUCH ACTIVITY ON HIS PART, AND THAT HE WOULD NOT DO ANYTHING TO JEOPARDIZE THE PARTY OR ITS GENERAL SECRETARY, GUS HALL. VLADIMIR REPLIED THAT THE SOURCE WOULD NOT BE ASKED TO OBTAIN MANY PASSPORTS; THAT FURTHER CONSIDERATION WOULD BE GIVEN THIS MATTER; AND THAT HE COULD NOT UNDERSTAND THE SOURCE'S OBJECTION SINCE GUS HALL HIMSELF -- RECENTLY IN MOSCOW IN AN INTERVIEW WITH VLADIMIR MADE NO OBJECTION TO THE SOURCE'S ENGAGING IN SUCH ACTIVITY.

VLADIMIR SUGGESTED THAT WHEN SOURCE SHOULD BE RELIEVED OF SOME OF HIS WORK BY NEW YORK FOUR THREE ZERO NINE - S⁵ ASTERICK BECOMING
END PAGE SEVEN

PAGE EIGHT

ACTIVE IN THE SOLO OPERATION, SOURCE SHOULD CONSIDER HOW HE COULD BE OF ASSISTANCE TO THE SOVIETS IN LOCATING FOR THEM YOUNG PEOPLE WHO EVENTUALLY MIGHT BE OF ASSISTANCE TO THE SOVIETS. THE SOURCE WAS ALSO REQUESTED TO FURNISH THE SOVIETS WITH ANY INFORMATION -- EVEN IF ONLY CONFIRMATORY -- "REGARDING VIETNAM AND THE WAR EFFORT".

VLADIMIR ALSO STATED THAT HE DID NOT CONSIDER IT IN THE INTEREST OF SECURITY FOR SOURCE TO MEET HIM IN MOSCOW UNLESS FOR TECHNICAL TRAINING OF SOME OTHER PARTICULAR REASON. HE NAMED A NUMBER OF SOCIALIST COUNTRIES -- "FRIENDLY" TO THE SOVIETS -- WHERE HE AND THE SOURCE COULD MEET.

IN FURTHER REFERENCE TO PASSPORTS, VLADIMIR STATED THAT THE SOVIETS ARE PARTICULARLY INTERESTED IN LEARNING HOW A PERSON NOT BORN IN THE USA, BUT WHOSE PARENTS WERE BORN IN THE USA CAN GAIN ENTRY TO THE USA. THE SOVIETS DESIRE TO KNOW WHAT KIND OF QUESTIONS WOULD BE ASKED OF SUCH A PERSON.

VLADIMIR STATED THAT THE SOVIETS ARE VERY MUCH IMPRESSED BY

b7D

[REDACTED] AND DESIRE TO MAKE PERSONAL

END PAGE EIGHT

PAGE NINE

CONTACT WITH HIM ON FIVE TWENTY SEVEN SIXTY SEVEN, AT THE MONTREAL EXPOSITION. THE AFORESAID SOURCE, ACCORDING TO VLADIMIR REPRESENTS THE TYPE OF PERSON THE SOVIETS WOULD LIKE TO CULTIVATE.

REGARDING THE ORIGINAL LETTER, AND SAMPLES OF ALBERTSON'S HANDWRITING WHICH SOURCE HAD TAKEN TO MOSCOW FOR ANALYSIS, THE SOVIET'S OPINION IS THAT, WITHOUT A DOUBT, ALBERTSON WAS THE AUTHER OF THE AFORESAID LETTER.

CONCERNING THE SEVENTH CONGRESS OF THE SOCIALIST UNION PARTY OF GERMANY, SCHEDULED TO BE HELD IN EAST BERLIN BETWEEN APRIL SEVENTEENTH AND TWENTY SECOND, SIXTY SEVEN, NIKOLAI MOSTOVETS, MENTIONED ABOVE, COMMENTED AS FOLLOWS;

CUBA HAS SERVED NOTICE ON THE GDR THAT IT WOULD NOT SEND A REPRESENTATIVE TO THIS CONGRESS. THE CONGRESS "WILL NOT GO WELL" SINCE THERE IS NOT FULL AGREEMENT AMONG THE EUROPEAN CP'S. THE CPSU IS SO CONCERNED ABOUT THE CONGRESS THAT IT SENT REPRESENTATIVES THERE TO LEONID BREZHNEV, BORRIS PONOMAREV, AND "THE SECRETARY OF THE

END PAGE NINE

PAGE TEN

UKRAINIAN PARTY." ANTONIN NOVOTNY OF CZECHOSLOVAKIA DID NOT ATTEND.

THERE IS STILL DEEP DISAGREEMENT BETWEEN THE CZECHS AND THE EAST
GERMANS REGARDING THE HALLSTEIN PLAN. (WEST GERMANY'S RECOGNITION OF
SOME COMMUNIST COUNTRIES, BUT NOT OF EAST GERMANY.)

FOLLOWING THE ABOVE MENTIONED CONGRESS, THERE WILL BE A MEETING
OF EUROPEAN CP'S BETWEEN APRIL TWENTY FOUR AND TWENTY SEVEN, ~~SIXTY~~
SEVEN, AT KARLOVY VARY, CZECHOSLOVAKIA. THE PURPOSE OF THIS CONGRESS
IS TO OPPOSE NATO STRENGTH IN EUROPE.

SOURCE STATED HE ~~LEARNED~~ FROM OTHER POLITICAL SOURCES IN MOSCOW
THAT SOME SCANDANAVIAN PARTIES HAVE INDICATED THAT THEY WOULD NOT
SEND REPRESENTATIVES BUT LATER INDICATED THAT THEY WOULD ATTEND BUT
WOULD NOT COMMIT THEMSELVES TO SIGNING ANY AGREEMENTS. AUSTRIA AND
RUMANIA HAVE INDICATED THEY WOULD NOT SIGN ANY AGREEMENT OPPOSING NATO.
END PAGE TEN

PAGE ELEVEN

CONCERNING THIS CONGRESS IN CZECHOSLOVAKIA, SOURCE, ADVISED THAT GUS HALL BY MESSAGES TRANSMITTED THROUGH THE SOURCE IN MOSCOW HAS SOLICITED THE OPINION OF ALL EUROPEAN CP'S CONCERNING WHETHER THE CPUSA SHOULD SEND AN OBSERVER TO THE CONGRESS.

AS OF THE SEVENTEENTH OF APRIL WHEN THE INFORMANT LEFT MOSCOW, NO REPLIES HAD BEEN RECEIVED. ACCORDING TO THE SOURCE, THE SOVIETS WOULD NOT COMMIT THEMSELVES AND INDICATED THAT THE BRITISH PARTY MIGHT OBJECT.

MOSTOVETS ALSO INFORMED SOURCE THAT THE CUBAN LEADER, CHE GUEVERA, IS CURRENTLY "IN THE CENTRAL PART OF CENTRAL AMERICA."

INTERVIEW OF SOURCE IS CONTINUING, BUT IS LIMITED BY REASON OF HIS POOR STATE OF HEALTH. INFORMATION WILL BE TRANSMITTED TO BUREAU AND CHICAGO AS EXPEDITIOUSLY AS POSSIBLE.

END

;

CC - Putnam

FBC FBI WAH DC

UNITED STATES GOVERNMENT

Memorandum ROUTE IN ENVELOPE

Tolson ☒
DeLoach ☒
Mohr ☒
Casper ☒
Callahan ☒
Conrad ☒
Felt ☒
Gale ☒
Rosen ☒
Sullivan ☒
Tavel ☒
Trotter ☒
Tele. Room ☒
Holmes ☒
Gandy ☒

TO : Mr. W. C. Sullivan

DATE: 4/27/67

FROM : C. D. Brennan

1 - Mr. DeLoach
1 - Mr. Sullivan
1 - Mr. C. D. Brennan
1 - Mr. R. C. Putnam

SUBJECT: SOLO
INTERNAL SECURITY - COMMUNIST

PURPOSE:

This memorandum advises of intelligence information developed by NY 694-S* on Solo Mission 23 and action taken.

BACKGROUND:

My memorandum of 4/21/67 advised of safe return of NY 694-S* from Solo Mission 23 to the Soviet Union and set forth details of the prime purpose of the mission, that of reviewing security aspects of the clandestine apparatus with the Soviet official responsible to the Central Committee, Communist Party of the Soviet Union, for the operation; the obtaining of new tactics; and rescheduling the delivery of Soviet funds for the Communist Party, USA, for 5/20/67 at the previously agreed upon rendezvous in Westchester County, New York. NY 694-S* was intensively interviewed for five days by this Soviet superior regarding all details of the Solo Operation, his cover, and he successfully passed a test on his ability to cipher and decipher messages.

As a corollary to the prime purpose of this mission, NY 694-S* picked up the following items of intelligence information.

EX-113, 6 MAY 2 1967

He was advised of the concern the Soviets had about the success of the Seventh Congress of the Socialist Unity Party of Germany (East German Communist Party), held 4/17-22/67 in East Germany, and the lack of unity among communist parties to be present at the conference of European communist parties at Karlovy Vary, Czechoslovakia, 4/24-27/67, regarding West Germany's recognition of some communist parties but its refusal to recognize East Germany. Source also learned that relations between Fidel Castro, Premier of Cuba, and the Communist Party of the Soviet Union continued to deteriorate although relations between the respective Governments continue on an even plane. The

100-428091

CONTINUED - OVER

RCP:dmk

65 MAY 5 1967

Memorandum to Mr. W. C. Sullivan
RE: SOLO
100-428091

Soviets furnished Cuba aid in the amount of \$100,000,000 a year despite the fact that they consider Castro to be a petty bourgeois intellectual, an adventurer and romanticist, and one who has "tantrums" if he cannot have his own way. The Soviets consider Castro's personal life reprehensible. They cannot understand the family disloyalty exhibited by Castro's sister who defected to the United States and then attacked her brother. The Soviets would not be surprised if Castro "might do what his sister did."

Source obtained the above information from Nikolai Mostovets, head of the North and South American Section, International Department, Central Committee, Communist Party of the Soviet Union, on 4/17/67. The intelligence data developed has been disseminated to the Department of State and the Central Intelligence Agency.

OBSERVATION:

Since the primary purpose of this mission was to clarify details of the clandestine functioning of the Solo Operation, intelligence data developed will not be extensive. Debriefing of source is continuing consistent with his need for rest because of his heart condition. Pertinent intelligence information developed will be furnished interested officials of our Government and you will be kept advised.

ACTION:

For information.

[Handwritten initials: J, J, W, J, J, J, J]

ROUTE IN ENVELOPE

Date: 4/27/67

Transmit the following in _____

(Type in plaintext or code)

~~TOP SECRET~~

Via AIRTEL

(Priority)

TO : DIRECTOR, FBI (100-428091)
 FROM : SAC, NEW YORK (100-134637)
 SUBJECT: SOLO
 IS-C

S. P. [unclear] (last)
ROZ [unclear]

Reference Bureau airtel to Chicago 4/25/67,
 captioned as above and NY teletype to Bureau 4/26/67,
 captioned, "FELIX ALDERISIO, aka.; AR".

Referenced teletype states Securities and Exchange
 Commission (SEC) and USA, SDNY, have increased tempo of
 investigation of stock transactions of American Stock Exchange.
 Indictments are expected to be announced in Pentron Electronics
 case on April 28, 1967, after the stock exchanges close.
 Other indictments will follow at later dates in cases involving
 other manipulated stocks.

SEC Attorney [redacted] has advised that
 [redacted] of Chicago is "telling all" and has
 furnished all his records to SEC investigators. Highly
 Confidential Source close to informants have indicated both
 CG 6653-S and NY 694-S* have sold Pentron Electronics through
 [redacted]

In addition to [redacted] two other individuals are
 furnishing detailed information on stock manipulating and
 unsavory practices of officers and directors of the First
 National Bank of Lincolnwood, Chicago, Ill. One of these

3-Bureau (100-428091) (RM)
 1-Chicago (134-46-Sub B) (RM)
 1-NY (100-134637)
 JJK:rmv
 (6)

REC 30

100-428091-

b6
 b7C
 b7D

6229

6 MAY 2 1967

~~TOP SECRET~~

Classified by 7339
 Exempt from GDS, Category
 Date of Declassification Indefinite

Approved: [Signature]

Special Agent in Charge

Sent

M

Per

10/16/76

~~TOP SECRET~~

NY 100-134637

sources is [redacted], Skokie, Ill. Third source has not been identified as yet but is a potential defendant in case. Information regarding [redacted] and [redacted] must not be disclosed outside the Bureau.

b6
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b7D

[redacted] stated he expects the indicting of up to eight officers of Lincolnwood Bank including [redacted] and [redacted]. Additionally, AUSA, SDNY, who is handling Federal Grand Jury in Federal Reserve Act violation at First National Bank of Lincolnwood, intends to refer such a case to Bureau after facts are reviewed by his superiors.

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[redacted] stated SEC is obtaining lists of all individuals who owned shares of nine manipulated stocks during last five years. [redacted] reiterated SEC will make inquiry into holdings of all relatives of [redacted]. Since informants have been involved with [redacted] on at least one transaction and have had sizeable positions in at least two of the manipulated stocks, we assume inquiry may be made into their holdings.

On 4/27/67, the SEC advised it is reviewing testimony given before the Federal Grand Jury to determine whether there is now sufficient information available to indict on 4/28/67, officials of the Lincolnwood Bank. In addition, officials of the Internal Revenue Service are now being consulted to determine what interest IRS may have in the ramifications of the SEC investigation.

SEC has now stated it hopes it may be able to turn [redacted] as a source by bringing pressure on him not only through the SEC but also IRS. As a result of its investigation, SEC feels [redacted] is a weak link; however, SEC has no substantial basis on which it bases its hopes.

On 4/26/67, NY 694-S* advised that he has been told by [redacted] Customer's Man, at Rothchild and Co., that SEC attorney [redacted] had made inquiry into NY 694-S* account.

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b7C

Over the past two days both CG 5824-S* and NY 694-S* have stated to the NYO that this is a most serious "family matter" and have indicated they expect the assistance of the Bureau in the solution thereof.

~~TOP SECRET~~

NY 100-134637

~~TOP SECRET~~

On 4/27/67, NY 694-S* advised that his only involvement in the SEC investigation has to do with the sale of Pentron Electronics through CG 6653-S and another individual [redacted]. Informant reiterated the probable need of Bureau assistance in this "family matter." He was asked what specifically he had in mind. Informant replied that CG 5824-S* would fully discuss this matter with the Chicago Office on his return to Chicago (4/28 or 29/67).

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b7C
b7D

~~TOP SECRET~~

UNITED STATES GOVERNMENT

W Memorandum ROUTE IN ENVELOPE

Tolson _____
DeLoach _____
Mohr _____
Wick _____
Casper _____
Callahan _____
Conrad _____
Felt _____
Gale _____
Rosen _____
Sullivan _____
Tavel _____
Trotter _____
Tele. Room _____
Holmes _____
Gandy _____

TO : Mr. Conrad *Jue*

DATE: April 28, 1967 *wes*

FROM : *E* F. Downing

SUBJECT: *SOLO*
INTERNAL SECURITY - C

Captioned case involves the Bureau's highly valuable confidential informant NY 694-S* who has been receiving communications transmitted to him by radio.

On 4/28/67, transmissions were heard by the Bureau's radio station at Midland at which time a message, NR 764 Gr 204, was intercepted. This message is essentially the same as the one set forth in my memorandum dated 4/24/67.

The plain text and cipher text are attached.

The New York Office is aware of the contents.

ACTION:

For information.

Enclosure

- 1 - Mr. Conrad
- 2 - Mr. Sullivan (Attention: Mr. J. A. Sizoo, Mr. R. C. Putnam)
- 1 - Mr. Downing
- 1 - Mr. Newpher
- 1 - Mr. Paddock

JLM:cspeap
(7)

ENCLOSURE

REC-30
EX-113

100-428091-6230

6 MAY 2 1967

50

65 MAY 5 1967

0/28/67

NR. 0764 GR 204

04/28/67

13444 44855 76007 58081 03711 83521 07309 36255 61998 76237
53054 21707 84200 16344 10459 81639 42194 44630 99300 24746
01390 25850 12762 04673 68429 44217 33962 11266 42960 48999
62731 70332 06146 62882 05101 04270 07162 82998 32652 44597
38334 33118 23797 15036 01412 16246 14898 93912 56987 92569
53192 12715 45082 56216 83616 52219 56114 23472 44792 26561
78085 33781 68718 43573 62769 89561 72143 06642 92193 35096
50249 81747 34935 50283 25697 90099 06107 33907 42587 01503
56183 10624 35959 29428 93628 21058 49418 42490 39074 17008
01149 36475 84542 08252 15218 26344 66708 21943 20935 49126
91830 90311 58752 54889 74089 98473 62984 36779 92316 89710
29783 86778 70921 33209 77135 81470 45034 92004 86681 68369
06940 85970 50948 17083 06350 67028 39006 36547 11150 37811
04936 35746 05914 25370 26440 12164 93145 61953 85761 55060
85036 31224 52990 40649 47976 52340 50967 07757 33219 45459
56854 33040 74511 03896 06555 22794 11668 36160 09989 98841
11201 85145 49516 48722 92306 70422 69083 19794 98267 64867
30430 10143 23458 93181 15827 48454 05141 85801 39110 95188
69168 07088 28505 95844 73885 48310 29066 72520 48176 21395
07246 97900 91490 09928 99625 33532 49470 25744 17654 04373
74038 08163 91786 17284

100-428091-5230
ENCLOSURE

NR 0764 GR 204

04/28/67

TUG[SCHEDULE]FOR[MAY]. [WEDNESDAY]#1144#[GMT]FREQUENCY#12587#
[#1204#[GMT]-[#13873#], [#1224#[GMT]-[#15614#], [CALLING]. [WW]#6#
*WW#6#.[FRIDAY]#1203#[GMT]-[#12751#], [#1223#[GMT]-[#13936#], [#1243#]
GMT-[#15729#].[CALLING]. [R]#2#U[R]#2#U.[JUNE]. [TUESDAY]#1157#
GMT-[#12984#], [#1217#[GMT]-[#13971#], [#1237#[GMT]-[#15683#].[CA
LLING]. [#47#X]#47#X.[THURSDAY]#1211#[GMT]-[#13149#], [#1231#]
GMT-[#14515#], [#1251#[GMT]-[#15821#].[CALLING]. [D]#9#A[D]#9#A
[TELEPHONE^ESS]. [#563#]-[#9005#]AND[#563#]-[#9238#].[TIME]-[#0505#]
P.M.[PLEASE]CONFIRM[THIS]MESSAGE[AT]#0505#P.M.[BY]PHONE#744#
-[#9635#].

UNITED STATES GOVERNMENT

Memorandum

ROUTE IN ENVELOPE

TO : DIRECTOR, FBI (100-428091)

FROM : SAC, CHICAGO (134-46 Sub B)

SUBJECT: SOLO
IS-C

DATE: 4/28/67

On April 27, 1967, the Chicago Office received an air mail communication for CG 5824-S* which had been transmitted by the Brazilian Communist Party (BCP) to a Solo mail drop maintained in the name of "Milton Adams, Box 4367, Chicago, Illinois 60680." The communication was postmarked April 22, 1967, and bore a stamped return address "Laboratorio de Pesquisas, Farmaceutico-Cientificas, Dep. Internacional, Rio de Janeiro," obviously a cover address for the BCP.

Enclosed with the above communication was a four-page document entitled, "VOZ OPERARIA, Numero XXVI - 1 de Marco de 1967," which is the organ of the Central Committee, BCP.

Xerox copies of the above-mentioned four-page document have been made by Chicago and two Xerox copies are enclosed herewith for the Bureau and one Xerox copy for the New York Office. Also enclosed for the Bureau is a Xerox copy of the envelope bearing the above-noted return address in which the document was received.

An extra copy of the document is being furnished to the Bureau in view of the fact that it may desire to disseminate this item to CIA.

1-904 940
②-Bureau (Enc. 3) (RM)
1-New York (100-134637) (Enc. 1) (Info) (RM)
1-Chicago

Handwritten: "Hand to CIA by 7/6 5/11/67"

RWH:MDW
(4)

FBI WASH DC
REC'D - 207714VH REC 30

100-428091-623

MAY 1 2 30 PM '67 EX-113

6 MAY 2 1967



65 MAY 5 1967

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

ENCLOSURES (3) TO BUREAU FROM CHICAGO

2 Xerox copies of "Voz Operaria"
1 Xerox copy of envelope in which above rec

RE: SOLO
IS-C

Bufile 100-428091
CGfile 134-46 Sub B

Transmitted via CGLt to Bureau dtd 4/28/67.

100 428091 - 6231

LABORATÓRIO DE PESQUISAS
FARMACEUTICO - CIENTIFICAS

Dep. Internacional

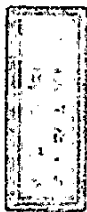
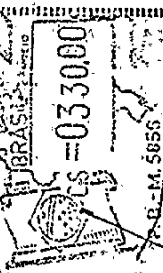
Rio de Janeiro

TO

Mr. Milton Adams

Box 4367

CHICAGO, ILL, 60680(over) - USA



VOZ OPERÁRIA

Número XXVI — 1 de Março de 1967 — Cr. \$ 100

ORGÃO CENTRAL
DO
PARTIDO COMUNISTA
BRASILEIRO

Festa do Povo

Este mês assinala a passagem do 45º aniversário de fundação do nosso partido, o Partido Comunista Brasileiro. Todos os democratas e patriotas, particularmente os trabalhadores, comemoraram com entusiasmo este importante acontecimento político de nossa história, pois vêm em nosso partido um lutador incansável e resolutivo pelo desenvolvimento econômico de nossa Pátria, pela libertação nacional e social de nosso povo, pelo socialismo. Seu aniversário é uma festa do povo.

Organização revolucionária, marxista-leninista, destacamento de vanguarda da classe operária brasileira, o Partido Comunista montou, durante todos esses anos, fiel aos objetivos fundamentais de sua existência — a liquidação da exploração capitalista e a construção de uma sociedade socialista. Na luta pela consecução desses objetivos, o nosso Partido tem procurado, a custa de enormes sacrifícios, conquistar todas as posições intermediárias e as vitórias parciais indispensáveis e necessárias aproximação e à realização daqueles objetivos finais. Por um momento sequer, na luta pela revolução agrária e anticolonialista, nacional e democrática, o nosso Partido perdeu de vista que sua missão histórica é a condução do povo brasileiro a uma sociedade socialista, onde não exista exploração do homem pelo homem e os trabalhadores sejam donos e senhores de todos os bens e riquezas.

Essa sua fidelidade aos interesses fundamentais dos trabalhadores: sejam quais forem as condições impostas pelas classes dominantes — desde a legalidade precária e cheia de limitações até a mais dura e difícil clandestinidade — foi e continuará a ser uma qualidade inconfundível e essencial de nosso partido. Essa fidelidade, ao tempo em que acentua o caráter nacional do nosso Partido e faz dos comunistas os mais combativos e conscientes patriotas, determina também o seu profundo sentimento internacionalista. A classe operária de todo o mundo tem um inimigo comum — o capitalismo, o imperialismo — que a espolia e a explora; e também, os seus interesses e os seus objetivos acabam com a espoliação e a exploração do imperialismo. Nunca, como hoje, quando o imperialismo se estrebuça e lança mão de todos os recursos para adiar o seu desaparecimento da cena da história, é atual a máxima de Marx que presidiu a fundação de nosso partido: "Proletários de todo o mundo, unidos".

As Tarefas Táticas da Luta Contra a Ditadura no Brasil

ALFREDO CASTRO

Nas condições atuais do Brasil, a luta contra a ditadura exige uma clara caracterização desse regime, através da análise da realidade nacional, desde os antecedentes do golpe militar reacionário que depôs o governo do presidente João Goulart.

As mudanças econômicas e sociais verificadas nos últimos vinte anos em nosso país devem ser levadas em conta. O Brasil, que era essencialmente agrícola, produtor de alguns artigos tropicais, transformou-se em um país de economia agroindustrial. As massas que em 1964 se concentravam em suas zonas urbanas somavam 37,5 milhões, em um país com a população total de cerca de 80 milhões. O crescimento da população urbana ascende a 6,4% por ano, isto é, o dobro do correspondente ao conjunto da população que é de 3,2%.

O produto bruto apresentou uma média anual de 30 bilhões de dólares, o que coloca o Brasil em 11º lugar entre as nações do mundo atual. De 1944 a 1956 o produto bruto duplicou, dando, então, ao Brasil o primeiro lugar na produção de toda a América Latina. A renda per capita em 1962 foi de 380 dólares. Por conseguinte, o Brasil ocupa neste sentido um dos primeiros lugares entre os países economicamente subdesenvolvidos, encontrando-se em uma posição intermediária entre eles e os países altamente desenvolvidos. Entre 1947 e 1961, a taxa média anual de crescimento do produto bruto foi de 5,8%, ou seja cerca de 3% per capita. Na segunda metade metade desse período, isto é, entre 1957 e 1961, a taxa média de crescimento elevou-se a 7%, correspondendo a 3,9% por habitante. A taxa de crescimento, nas duas fases analisadas, foi de 4,6% e 4,8% para a produção agrícola; de 9,6% e 12,7% para a produção industrial.

O aumento da produção industrial em seu conjunto foi de 80%; o de aço, de 100%; o da indústria mecânica, de 125%; o das indústrias de material elétrico e de comunicações, de 380%; o do material de transporte, de 600%.

Se antes de 1930 a produção industrial brasileira correspondia à metade da produção agrícola, isto é, apenas um terço do produto bruto, ultrapassando a agrícola. A produção de equipamentos aumentou de 20% a 33%. Alguns economistas consideram que depois de 1964 atingiam cerca de 50%.

Um desenvolvimento econômico

rápido e impetuoso está sendo obstaculizado pela estrutura anacrônica, o que gera conflitos sérios que refletem em toda uma fase da vida política do país. No essencial se trata de choques, engendrados pela crise estrutural, entre as novas forças produtivas e a estrutura agrária atrasada. Agravada essa crise por elementos de caráter cíclico, por uma conjuntura desfavorável, o Brasil se encontra, desde 1964, ante uma situação econômico-financeira que se agrava rapidamente.

Em fevereiro de 1964 o Comitê Central de nosso Partido assinalava que desde o ano anterior estava acentuando-se a queda dos investimentos, a paralisação e o desemprego em importantes ramos da indústria. A taxa de crescimento do produto bruto, que, como vimos, alcançou a média de 7% no quinquênio de 1957-1961, desceu para 5,2% em 1962 e apenas atingiu 2% em 1963. A burguesia estava reduzindo de forma drástica seus investimentos na indústria. Preferia colocar seus capitais no exterior, alegando como justificativa dessa atitude a existência de "um clima de insegurança" e de "instabilidade política", que lhe negavam estímulos para as inversões. Ao mesmo tempo aumentava a pressão do imperialismo.

O agravamento da situação econômico-financeira refletiu-se também nas fileiras do movimento nacionalista e democrático. A luta pelas reformas de base começou a tomar um caráter de massas. Não obstante permanecia amorfo, não conseguia estruturar-se organicamente e em vez de avançar para a unidade das forças sociais e das correntes políticas que o integravam, revelava divergências internas, cada vez mais sérias.

Diferentes tendências se manifestavam através de reivindicações extremistas, o que não podia senão estreitar a frente única democrática. Certas correntes, como a que dirigia o ex-governador do Estado do Rio Grande do Sul, Leonel Brizola, a chamada "ala dos compactos" do Partido Trabalhista, vários integrantes dos agrupamentos Política Operária e Ação Popular, inclusive o líder camponês do Estado de Pernambuco, Francisco Julião, que já perdía influência, ameaçavam adotar formas de luta evidentemente incompatíveis com as condições concretas, que feriam o sentimento de defesa da legalidade constitucional, predominante na maioria da população.

Essas tendências, aparentemente judiciais exercem influência até nas fileiras de nosso Partido, que não as criticou suficientemente, em de-

fesa da linha política aprovada em seu V Congresso. Não soubemos tampouco alertar o Partido e as forças aliadas sobre a debilidade do movimento popular, que ainda necessitava acumular forças para poder impor com êxito a ruptura da política de conciliação que o Governo realizava. O movimento operário era organicamente débil, seus êxitos dependiam, em grande parte, do apoio que lhe prestava o Governo. O movimento camponês apenas iniciava sua organização, à sombra do Ministério do Trabalho. Por outro lado, as forças reacionárias e golpistas conservavam suas posições, não haviam sido derrotadas, mas somente detidas pelo movimento de defesa da legalidade democrática.

Fruto de uma séria batalha política e ideológica, a linha de nosso V Congresso se transformou em um poderoso instrumento revolucionário, que vinha permitindo ao Partido estreitar sua ligação com as massas e ter participação ativa na vida política do país. Sua aplicação exigia que concentrássemos o fogo contra o imperialismo norte-americano e fizéssemos esforços para unificar a ação de todas as forças patrióticas e democráticas, desde a classe operária até a burguesia nacional, utilizando todas as possibilidades legais. Com essa orientação participamos da campanha eleitoral de 1960, o que contribuiu para despertar numerosos setores das massas a levar ao interior do país as palavras de ordem do movimento nacionalista. Posteriormente quando da renúncia do presidente Jânio Quadros, nossa linha nos permitiu participar ativamente no vigoroso movimento popular que derrotou os generais golpistas e assegurou a investitura de Goulart como presidente da República. Há que assinalar uma vez mais que alcançamos esta vitória porque sabíamos levantar a bandeira da luta em defesa da legalidade constitucional.

Não obstante, a partir desses acontecimentos começamos a nos afastar da linha do V Congresso. Em vez de concentrar o fogo no inimigo principal, passamos na prática, a dirigir o golpe principal contra o aliado do golpe principal contra o aliado que tinha a responsabilidade do Poder. Isto não quer dizer que não devíamos criticar suas vacilações expressas na política de conciliação que adotava. Mas a verdade é que viamos na luta contra a política de conciliação do presidente Goulart a forma concreta de combater, nas condições existentes, o imperialismo norte-americano.

(Conclui na 2ª pág.)

(Conclusão da 1ª pag.)

Os acontecimentos políticos ocorridos em 1962 e 1963 e os êxitos relativos alcançados pelas forças nacionalistas e democráticas contribuíram para que exagerássemos nossas próprias forças, subestimássemos as do inimigo e deixássemos de acompanhar com a necessária objetividade as modificações que se verificavam na situação nacional e internacional.

Após cada vitória política, em vez de tratar de consolidar nossas forças, levantávamos reivindicações que contribuíam para afastar da frente única novos setores da burguesia nacional. Entre essas reivindicações citaremos, por exemplo, a do "conflito dos estoques" (de gêneros alimentícios) e sua distribuição direta entre os comerciantes varejistas; a da nacionalização, pelo custo histórico, dos moinhos, frigoríficos, fábricas de leite em pó e da indústria farmacêutica pertencentes ao capital estrangeiro. Propusemos medidas contrárias não somente aos interesses da burguesia rural, mas inclusive aos camponeses médios, quando exigimos que 75% do crédito aos estabelecimentos agropecuários fossem concedidos exclusivamente aos de área inferior a 100 hectares.

Com essa plataforma atuávamos sob a influência de uma falsa concepção da revolução brasileira de cunho pequeno burguês e golpista. Segundo essa concepção, manifestada nos momentos decisivos de nossa atividade a revolução seria produto não de um fenômeno de massas, mas de ação das cúpulas das organizações políticas e, no melhor dos casos, da ação de nosso Partido. Menosprezamos a importância que para o povo brasileiro tinha o processo eleitoral. Na situação concreta em que nos encontrávamos, estando a hegemonia na mão da burguesia, constituía uma aventura a pretensão de indicar como solução política a reeleição de Goulart. Essa solução exigia a reforma do dispositivo democrático da Constituição. No caso de o Parlamento se negar a realizar essa reforma, previa-se sua dissolução, isto é, uma saída anticonstitucional.

Por outro lado, prestamos pouca atenção ao estudo da conjuntura internacional, principalmente do aumento da agressividade do imperialismo norte-americano, fato notório desde o assassinato do presidente Kennedy.

Nestas condições, devido à adoção de posições cada vez mais extremistas, contribuímos para que a bandeira da defesa da legalidade democrática passasse para as mãos da reação, dos agentes do imperialismo, que souberam aproveitar nossos erros.

Ao contrário das quarteladas latino-americanas, o golpe de Estado de abril de 1964 contou com o firme apoio da pequena burguesia urbana e de importantes setores da burguesia nacional, sobretudo nos Estados da Guanabara, São Paulo e Minas Gerais. Contra o Governo de Goulart uniram-se forças muito heterogêneas, que tinham como objetivo impedir o ascenso do movimento popular. Por trás dos que dirigiam essas forças estava o imperialismo norte-americano.

O golpe foi possível como consequência da mudança verificada na correlação de forças, como resultado de deslocamento de amplos setores da burguesia nacionalista e da pequena burguesia da cidade para a área da reação e do entregui-

As Tarefas Táticas ...

mo. Quando sobreviu o golpe, as forças mais radicais da frente única patriótica e democrática encontravam-se isoladas. Meses antes haviam sido derrotadas politicamente.

Podemos caracterizar o golpe de 1964, em sua essência, como um movimento preventivo, no interesse do imperialismo ianque e das forças internas mais reacionárias. Orientou-se fundamentalmente contra a classe operária e sua vanguarda. Seu objetivo e nesse sentido atua a ditadura foi deter o processo democrático e imprimir à vida política e administrativa do país um sentido reacionário e entreguista.

Entre os grupos que conspiraram e atuaram, o que desde o início se destacou por sua clareza de objetivos e sua capacidade para impô-los foi o da Escola Superior de Guerra. Instruídos por assessores do Pentágono, os integrantes desse grupo formularam toda uma orientação, partindo das principais concepções que determinam a política agressiva dos Estados Unidos: o mundo está dividido definitivamente entre o Oriente e o Ocidente, razão pela qual cedo ou tarde a guerra mundial é inevitável. Durante vários anos esse centro realizou um trabalho sistemático e pertinaz com o fim de ganhar para tais idéias e para as soluções correspondentes aos altos postos militares, diplomatas parlamentares e líderes das chamadas "classes produtoras".

Foi esse grupo o que, desde os primeiros dias do golpe, se afirmou como o núcleo dominante. Suas preocupações voltaram-se para a política exterior. Os planos do Fundo Monetário Internacional foram adotados como doutrina oficial do Governo brasileiro. A política exterior passou a ser orientada segundo um novo princípio: "O que é bom para os Estados Unidos, é bom para o Brasil". A noção de fronteiras geográficas foi substituída pela de fronteiras ideológicas. Onde quer que os Estados considerem afetados seus interesses — seja no Vietnã ou em São Domingos — estarão também afetados os interesses do Brasil.

Essa concepção está contribuindo para que se intensifique o saque do país pelo imperialismo e já serviu de pretexto para a instalação de uma base de foguetes norte-americana no Nordeste e para empregar oficiais e soldados brasileiros como tropas de choque contra o povo irmão da República Dominicana, que luta pela democracia e a independência nacional.

Para levar à prática essa orientação, a ditadura aplica uma política antiooperária e antipopular, além de antinacional. Uma nova legislação impede o reajuste dos salários e ordenados de acordo com o aumento do custo de vida, do que resultou uma deterioração ainda mais pronunciada do salário real, maior exploração patronal, novas dificuldades para os trabalhadores. Em diferentes regiões, o salário-mínimo nominal foi reduzido; direitos e garantias há muito conquistados pelos trabalhadores foram anulados. Isto ocorreu particularmente com os assalariados agrícolas e com os marítimos, portuários e ferroviários, entre outras categorias do proletariado urbano. Agora está ameaçado o direito à estabilidade, que o empregado ad-

quire depois de trabalhar dez anos na mesma empresa. Por outro lado, as tarifas de serviços públicos e imposto que recaem sobre as grandes massas aumentaram consideravelmente.

A imposição desta política leva à supressão das liberdades democráticas e à substituição da estrutura estatal estabelecida pela Constituição de 1946 (na luta pela qual participaram amplas forças populares, incluídos os comunistas) por outra de feição autocrática, fascizante. Na prática suprime-se o voto popular, direto e secreto, valendo-se de eleições presidenciais indiretas em um Parlamento mutilado e coagido, devido à anulação do mandato de dezenas de seus membros por uma simples penada do ditador e a faculdade que este se arrogou de expulsar da Câmara e do Senado a quem lhe faça uma oposição efetiva. São restringidos os poderes legislativos (hoje em dia um simples órgão de registro dos atos do chefe do Executivo) e o judiciário, igualmente sem independência, ameaçado e sem forças para fazer valer suas decisões, que muitas vezes a ditadura ignora. A competência para julgar os supostos crimes políticos foi transferida ao foro militar.

A repressão policial se orienta no sentido de decapitar o movimento democrático e nacional, através a suspensão por dez anos de direitos políticos de mais de quinhentas personalidades, dirigentes sindicais e de partidos, entre estes os três últimos presidentes da República e o secretário geral do Partido Comunista, o camarada Luís Carlos Prestes, que além disso acaba de ser condenado à reclusão em 14 anos de prisão com outros 60 comunistas.

Os três governadores de Estado que mais decisivamente apoiaram o golpe militar — Lacerda, da Guanabara; Magalhães Pinto, de Minas Gerais e Ademar de Barros, de São Paulo — caíram em desgraça e são perseguidos. Ademar de Barros foi privado dos direitos políticos. Dez mil cidadãos estão sendo processados, a despeito da lei, por comissões de investigações policiais e militares. As primeiras condenações variam entre quinze e vinte anos de prisão. Contra a intelectualidade, e particularmente contra os centros universitários, desencadeou-se o terror, com destituições em massa de professores, expulsões de estudantes, invasão de bibliotecas e queima de livros em autos de fé.

Mas nada disso fez cessar a luta do povo, através dos movimentos unitários da classe operária, estudantes, escritores, jornalistas, artistas. Seriam golpeados pela repressão, os camponeses pouco a pouco voltam a organizar-se. No Nordeste, os assalariados agrícolas da indústria açucareira realizaram uma grande greve vitoriosa.

Na luta contra a ditadura nosso Partido combate duas tendências que surgiram entre as forças da oposição. Uma se expressa na subestimação do caráter específico do regime, de sua essência antinacional e seu cunho fascizante, em ilusões constitucionistas e legalistas de que gradualmente será possível modificar a situação por meio de compromissos com uma das alas golpistas. Isto é, apenas com a utilização das contradições existentes

entre os grupos dominantes. A outra tendência que se deve considerar é a de considerar que não há possibilidades de ações de massas no terreno econômico e no político que leva a um radicalismo extremista, sem levar em conta as condições objetivas e subjetivas. Aparentemente opostas, essas tendências contribuem para a paralisação das ações de massas, a abandono da organização e preparação das massas através da luta diária, por objetivos concretos.

Por meio da resistência e do combate à ditadura em ações de massas cujo nível se elevava em função de sucessivos êxitos parciais, as contradições internas do Governo tenderão a agravar-se em repetidas crises, determinando o surgimento de combates mais rios, inclusive de choques armados. Consideramos que todas as formas de luta, desde as mais elementares até as mais elevadas, só podem conduzir à vitória se estão baseadas na participação voluntária e consciente das massas, na decidida vontade de luta do povo.

As grandes massas são incorporadas à luta mediante e apresentação de reivindicações econômicas, políticas e sociais que atendam as suas necessidades vitais. O processo inflacionário torna cada vez mais insuportáveis as condições de vida dos trabalhadores e das camadas médias da população na cidade e no campo. A burguesia nacional está sentindo em suas empresas o impacto de um controle econômico muito rigoroso, da restrição de crédito e outros obstáculos resultantes da aplicação do plano de "austeridade" ditado pelo Fundo Monetário Internacional.

Após dois anos da instauração da ditadura militar reacionária, se vê com clareza que não lhe foi possível deitar raízes nas massas. Ao contrário, perdeu a confiança inclusive de setores da pequena e da média burguesia que apoiaram inicialmente. Sua base social se estreita dia a dia, enquanto se ampliam as possibilidades de formação de uma grande frente antitatorial. Importantes forças políticas, incluídos influentes círculos governamentais, se manifestam contra a consolidação do sistema que se instalou em abril de 1964. A bandeira das liberdades democráticas, que neste momento é o elo principal da cadeia das reivindicações populares, está reunindo forças de grande amplitude.

Do ponto de vista tático, a atual tarefa das forças de oposição consiste em unir-se e organizar-se, sem discriminações nem impulsos revanchistas, a fim de isolar cada vez mais a ditadura e de criar premissas para sua derrota. O objetivo imediato dessa luta é a conquista de um Governo representativo das forças antiditatoriais, que assegure o exercício das liberdades políticas.

O Partido Comunista se esforça no sentido de que o povo brasileiro tenha um Governo progressista. Mas compreende que o Governo que substitua a ditadura refletirá a correlação de forças existentes no momento de sua formação. Serão impor esquemas predefinidos à ampliação das forças que dispõem a combater a ditadura.

Sob um governo que as forças políticas se organizam, reúnem e preparam, poderá o povo decidir o rumo sobre a situação imediata e a longo prazo.

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Situação Aflitiva dos Plantadores De Amendoim do Estado de São Paulo

Teoria e Prática

Apresentação

WILSON SILVA

"Como" acontece todos os anos na época das colheitas, caem proporcionalmente os preços dos produtos agrícolas para que os açambarcadores se apoderem da produção agrícola a preços írisórios. É o que está sucedendo com a atual safra de amendoim paulista.

O preço mínimo estabelecido pelo governo federal para o amendoim em casca por saco de 25 quilos, na presente safra, foi de Cr\$ 5.800, mas seguiu a toda uma série de descontos, como o imposto de Circulação de 15%, sacaria, transporte, desconto de umidade e tantos outros. Feitas todas essas deduções, os agricultores recebem abaixo de Cr\$ 4.000 por saco. Além disso, a verdade é que não há interesse, por parte dos intermediários, de comprar o produto a fim de obrigar os camponeses a vender sua mercadoria a qualquer preço. Os açambarcadores oferecem quantias bem abaixo do preço mínimo, o que leva a maioria dos produtores, principalmente os pequenos, a aceitarem tais ofertas, dado suas grandes dificuldades: dívidas a pagar no armazém e aos colhedores e tantos outros compromissos.

A produção de amendoim, igual a do algodão, é feita pelos pequenos produtores: arrendatários, parceiros, meeiros, pequenos e médios proprietários. A maioria esmagadora sem recursos, ou com muito pouco. Os que plantam em terras alheias, têm de pagar arrendamentos altíssimos. Se as terras são fracas, de pouco rendimento, os parceiros exigem o pagamento em dinheiro aos preços de 150 a 200 mil cruzeiros por alqueire. Se são terras de boa qualidade, férteis, com alta produtividade, cobram de 30, 40 e 50 por cento da produção, com toda despesa por conta dos arrendatários.

Além dos preços muito baixos que não compensam, a situação foi agravada este ano com as más condições devido à seca no início do plantio e as fortes chuvas agora no momento do seu recolhimento. Pequenas são as lavouras que estão dando 200 sacos de 25 quilos em casa por alqueire. A qualidade varia entre 80 e 150 sacos. É necessário registrar, que os parceiros tiveram que comprar as sementes pagando de 8 a 12 mil cruzeiros por saco para a produção, para vendê-lo agora por pouco.

Os produtos adquiridos na cidade, como ferramentas, adubos, insumos etc., são por preços muito mais elevados que no ano passado. Esta situação negativa e angustiante se reflete não somente nos produtores, mas pior ainda nos açambarcadores agrícolas.

O ano passado, uma parte dos produtores chegaram a alcançar Cr\$ 5.400 e até mais por saco de amendoim, o que lhes possibilitou pagarem 500, 700 e até 1.000 cruzeiros por saco para colher, e 2.000 a 2.500 cruzeiros por dia de serviço. Este ano pagam de 1.200 a 1.500 cruzeiros por dia de serviço

ou 250 a 300 cruzeiros por saco. E assim mesmo não há serviço para todos devido a safra reduzida, em consequência da longa estiagem logo após a plantação e as chuvas torrenciais da atualidade, quando se está realizando a colheita. Dessa forma, uma parte dos assalariados estão desempregados, perambulando pelas estradas; outros concentrados nas cidades do interior. A situação é tão grave para essa massa sem trabalho, que já começa a surgir invasão do comércio, como aconteceu no início do ano, na cidade de Parapuã, na Alta Paulista, onde grande número de mulheres camponesas, das famílias desempregadas, invadiram a "Casa Moraes" e carregaram os alimentos para matar a fome dos filhos.

As autoridades demonstram preocupação com tal situação e começam a tomar medidas drásticas e desumanas contra esses infelizes camponeses. Passam a fazer a "limpeza da cidade", como diz a polícia, que consiste no que está realizando o delegado de polícia de Marília, em percorrer a cidade com viaturas e caminhões recolhendo as famílias camponesas desempregadas que se acham acampadas nos jardins, nos viadutos, pontes e construções, conduzindo-os para estradas distantes dos centros urbanos, ameaçando-os com maior violência caso retornem aos lugares de onde foram expulsos.

A responsabilidade por esta situação, desastrosa da lavoura do amendoim, recai, exclusivamente, na ditadura de Castelo Branco, cumpridor fiel da política criminoso do governo norte-americano. Para compreender bem o que se passa, é necessário conhecer os fatos.

São Paulo é o maior produtor de algodão do Brasil. Contribui com cerca de 40% da produção nacional. De boa qualidade, bem aceito em todo o mundo. Se o Brasil pudesse vender toda a produção paulista de algodão encontraria com facilidade colocação no mercado mundial. Mas acontece, que o imperialismo norte-americano não permite nem que coloquemos nosso excedente, porque isto prejudica a colocação da superprodução do algodão dos EUA. Os trustes lanques tomaram medidas visando diminuir a produção paulista de algodão através a queda dos preços do produto e a promessa de bons preços para o amendoim, fazendo com que os camponeses passassem de uma cultura pouco rendosa devido à baixa dos preços (o algodão), para outra mais lucrativa, com melhores preços (o amendoim).

Com tal manobra, a área paulista plantada com algodão na safra de 1965/66 que era de 220.000 alqueires (532.400 hectares) caiu

para 100.000 alqueires (242.000 hectares) na atual safra de 1966/67.

Estes 242.000 hectares, que o ano passado estavam plantados com algodão, em sua maior parte foram transformados em pastagens com a plantação de capim. Outra parte foi utilizada com o amendoim e outra parte com milho, soja e outros cereais. Com tal diminuição do plantio de algodão, São Paulo está na iminência de não produzir essa fibra em quantidade suficiente para suprir o consumo interno, sendo obrigado talvez a importar algodão dos Estados Unidos.

Depois de ter atingido seus objetivos, reduzindo consideravelmente a produção de algodão paulista, o imperialismo norte-americano conseguiu aplicar a mesma manobra no caso do amendoim. Obteve de Castelo Branco a decretação de um preço mínimo para o amendoim puramente formal, em níveis que não correspondem às necessidades e despesas de produção, além da baixa do preço na época da colheita, com a agravante para os camponeses de que os atuais preços são iguais ou menores que os do ano passado.

As empresas americanas, como a Anderson Clayton, Sanbra e outras e as grandes firmas nacionais irão, como sempre, se apoderar da produção de amendoim por preços írisimos, levando à ruína grande parte dos produtores. E o resultado será, inevitavelmente, o mesmo que aconteceu com o algodão: diminuição da produção de amendoim na próxima safra, com redução da área plantada, transformando essas terras em pastagens. Uma parte dos produtores de amendoim serão forçados a mudar de atividades e os que ficarem arruinados serão incorporados ao exército dos sem-trabalho, nas zonas rurais.

A série crise por que passa atualmente a lavoura de amendoim vem prejudicando também o pequeno e o médio comércio do interior, que se mantém fundamentalmente com o movimento que faz a massa camponesa trabalhadora.

Essa crise não é resultado de mera casualidade, nem de nenhuma situação climática desfavorável. É o resultado da política criminoso, de traição nacional, da ditadura de Castelo Branco a serviço dos latifundiários, da grande burguesia e do imperialismo norte-americano.

Sob a responsabilidade do coletivo de companheiros que colabora com o Comitê Central do Partido no trabalho de educação, VOZ OPERÁRIA abrirá em suas páginas duas novas seções permanentes: "Teoria & Prática" e "Perguntas & Respostas".

Ela surgem como um primeiro eco à reclamação generalizada e crescente, que se manifesta nestes últimos tempos no Partido, de orientação e material concreto de estudo de nossa teoria geral revolucionária, o marxismo-leninismo, em ligação com os candentes problemas da revolução brasileira e da vida e atividade do Partido.

Na seção "Teoria & Prática" ter-se-á em vista chamar a atenção de nossos leitores para o exame de determinados problemas de ordem geral relacionados com a prática da luta revolucionária, apresentando-lhes, sempre que seja o caso, a posição assumida ante tais problemas pelos clássicos do marxismo-leninismo.

Na seção "Perguntas & Respostas" procurar-se-á, dentro do possível, responder a questões levantadas diretamente pelos leitores da VOZ (e que deverão ser encaminhadas ao centro partidário através dos diferentes meios possíveis).

É claro que, tanto num como noutro caso, os juízos e opiniões emitidos pelos redatores devem ser tomados apenas como contribuição ao estudo de cada leitor ou grupo de leitores.

A vida das duas novas seções, sua utilidade real, sua eficiência, dependerão em última análise dos próprios leitores da VOZ OPERÁRIA, — dos membros, simpatizantes e amigos do Partido: das suas sugestões, das suas perguntas, das suas críticas.

RADIO MOSCOU

Emissões em português.

Todos os dias nas ondas de 25, 31 e 41 metros. Horário: 19 às 20; 21 às 21.30; 23 às 23.30.

RADIO PAZ E PROGRESSO

(A voz da opinião pública soviética)

Todos os dias nas ondas de 25, 31 e 41 metros. Horário: das 21.30 às 22.

RADIO HAVANA

Nas ondas de 19, 25, 31 e 49 metros. Das 20 às 21 horas.

O Imperialismo Norte-Americano E o Movimento Sindical Brasileiro

IATOA:SEVERINO

Não é mais segredo para ninguém a criminosa atividade intervencionista dos agentes e organizações sindicais internacionais, controlados pelo Departamento de Estado norte-americano, no movimento sindical brasileiro. Várias denúncias, nesse sentido, têm sido feitas por diversas entidades e personalidades, inclusive pelo sr. Ari Campista, elemento da confiança da ditadura na CNTI. Inúmeras publicações têm procurado esclarecer o assunto, entre as quais destacamos um artigo do sr. Pedro Correla Varella, intitulado: *Situação dos Trabalhadores*, divulgado pela Revista *Civilização Brasileira*, n.ºs. 9-10, de setembro a novembro de 1966.

A atividade do imperialismo norte-americano no sindicalismo brasileiro se intensificou com a instauração da ditadura imposta pelo golpe de abril, particularmente, a partir de junho de 1964, quando se realizou na Guanabara, sob a presidência do sr. Arnaldo Sussekund, então Ministro do Trabalho, a Conferência Nacional de Dirigentes Sindicais Pela Defesa da Democracia e do Bem-Estar do Trabalhador, patrocinada e financiada pela ORIT, entidade notoriamente controlada pela CIOSL e subordinada à orientação do Departamento de Estado norte-americano. Ao mesmo tempo que protegia a realização dessa Conferência com a participação de vários funcionários e agentes do governo dos Estados Unidos, a ditadura mantinha sob intervenção mais de 600 entidades sindicais com seus líderes presos, perseguidos ou exilados.

O imperialismo norte-americano utiliza os mais variados processos para impor sua política de exploração e dominação dos povos. Desde a diplomacia até a agressão descarada e criminosa como a que pratica contra o povo do Vietname. Desde intensa campanha publicitária e caluniosa até a corrupção e golpes de estado para impedir o movimento de libertação dos povos, como ocorreu em nosso país. Em sua atividade, o imperialismo procura ganhar para sua política todos os setores da população do país. Dispense fabulosas verbas com um vasto programa de "educação" e propaganda da ideologia neocolonialista, elaborado pelo Departamento de Estado.

Para cada setor da população, o imperialismo tem um plano e atividade específicos. Entre os intelectuais age de uma forma, entre os estudantes, de outra, bem diferente é a atuação entre os militares. Até mesmo entre os assalariados adota formas ligeiramente diferenciadas para os trabalhadores urbanos e rurais. O objetivo é um só: dominar para explorar.

Entre os trabalhadores e seu movimento sindical, o imperialismo procura atuar através dos seguintes mecanismos:

— **AFL-CIO** — (é a sigla da Federação da Confederação das entidades sindicais norte-americanas) é o centro de irradiação do movimento do movimento sindical mundial.

— **CIOSL** — Confederação Internacional das Organizações Sindicais Livres que tem como base de apoio a AFL-CIO.

— **ORIT** — Organização Regio-

nal Interamericana de Trabalhadores (órgão subordinado à CIOSL para atuar na América Latina).

Além disso, há na CIOSL vários Departamentos que congregam internacionalmente setores profissionais específicos. Damos abaixo os mais conhecidos no Brasil:

— **FITIM** — Federação Internacional dos Trabalhadores das Indústrias Metalúrgicas.

— **FIET** — Federação Internacional dos Empregados Técnicos (que congregam entre outros os bancários).

— **FIOPP** — Federação Internacional das Organizações Periféricas Profissionais (que congregam os jornalistas).

— **ICTT** — Internacional de Correios, Telégrafos e Telefones.

— **ITF** — Internacional dos Trabalhadores em Transporte.

— **FITPQ** — Federação Internacional dos Trabalhadores Petrolíferos e Químicos.

Essas entidades manuseiam vastas quantias fornecidas pelo Governo e capitalistas dos Estados Unidos. Parte desses fundos é destinada para corromper dirigentes sindicais, outra parte se destina às despesas de viagens e reuniões, outra é aplicada na intensa propaganda da ideologia do imperialismo e para caluniar os trabalhadores que não se submetem à política neocolonialista dos Estados Unidos. Porém, a parcela mais importante é gasta com os "cursos de capacitação sindical".

Para o funcionamento desses cursos, o imperialismo criou as seguintes organizações:

— **Instituto Americano para o Desenvolvimento do Sindicalismo Livre**, (IADSL) com sede em Washington, de cuja direção também participam homens de negócios dos Estados Unidos. Cada dirigente sindical, após concluir um curso de três meses nesse Instituto, continua recebendo, pelo menos durante nove meses, um salário para se dedicar com mais entusiasmo na aplicação dos ensinamentos ministrados pelo IADSL, ao voltar ao seu país de origem.

— **Instituto de Relações Trabalhistas da Universidade de Porto Rico**. (Os concluintes de curso nesse Instituto são premiados com uma viagem de dois meses aos Estados Unidos. Esse Instituto é financiado pelo Ponto IV).

— **Instituto Resistente para Estudados Trabalhistas**, sediado na cidade do México, é mantido pela ORIT.

— **Instituto Interamericano de Estudos Sindicais da ORIT-CIOSL**, sediado na cidade de Cuernavaca, México. Foi inaugurado em edifício próprio, no ano passado.

— **Instituto Cultural do Trabalho**, sediado em São Paulo. É financiado pelo IADSL. Sua missão é inculcar a ideologia do imperialismo entre os sindicalistas urbanos.

— **Funciona em Recife um centro específico para a "formação" de sindicalistas rurais.**

— Há ainda os cursos de menor duração que são ministrados nos próprios sindicatos, em várias cida-

des do País. Com também os simpósios e palestras.

Entre as matérias selecionadas para esses cursos, é obrigatória a inclusão de aulas especiais sobre "técnica de combate ao comunismo". No mais, os professores procuram ensinar que os sindicatos não devem ir além da luta pela organização de cooperativas, habitacionais, do consumo, de crédito, de ensino, etc., esgotando suas finalidades nas negociações para celebrar contratos coletivos de trabalho. A luta política em suas diversas fases, especialmente em defesa das riquezas do país, pela soberania e emancipação nacionais é inteiramente repudiada e condenada como um grave crime contra o "sindicalismo livre". Abrimos um parêntese para lembrar que a política trabalhista da ditadura coincide integralmente com essa orientação.

Além da ação indireta através dessas entidades e instituições, o imperialismo age também diretamente por meio da Embaixada dos Estados Unidos, da Agência Norte-Americana para o Desenvolvimento Internacional (USAID), da Aliança para o Progresso que inclui em sua atividade o chamado programa "sindicato-a-sindicato". Estas são as mais conhecidas.

Cada uma dessas organizações tem uma missão específica cuja atividade se desdobra em múltiplas ações, entre as quais a corrupção desempenha papel saliente.

As viagens de dirigentes sindicais aos Estados Unidos constituem uma das facetas dessas organizações.

Quase meio milhão de dirigentes sindicais brasileiros visitaram os Estados Unidos depois do golpe de abril. Há como que uma sofreguidão em preparar o mais rápido possível os elementos para preencher as vagas abertas com as prisões, perseguições e exílio dos verdadeiros líderes sindicais, vítimas das violências da ditadura Castelo Branco.

Aparentemente, o "convite" para as atrativas viagens é feito por uma daquelas entidades mencionadas "linhas atrás". Mas, na realidade, cabe à Embaixada norte-americana decidir, em última instância, quem deve viajar. Uma vez convidado, o dirigente sindical preenche uma ficha em que se transforma na condição de pedinte do governo dos Estados Unidos para visitar aquele país. O preenchimento dessa "ficha-questionário" é uma verdadeira humilhação para quem a subcreve pelo rigor com que o pedinte é obrigado a relatar toda a sua vida progressa, assinalar claramente suas atividades atuais, suas idéias políticas, seus conceitos sobre liberdades, filosofia, religião, e, até mesmo, os antecedentes políticos de seus pais e amigos mais próximos. Uma vez aceito pela Embaixada, o dirigente "premiado" é considerado convidado do governo norte-americano. Geralmente, os "premiados" são elementos da confiança do "sindicalismo livre", tal como é, apregoado pelo imperialismo.

Porém, o imperialismo não se limita às pessoas de sua confiança. O trabalho das entidades acima referidas também consiste em amoldar e "quebrar as resistências" até mesmo de dirigentes com algum passado de lutas em favor do povo e dos interesses nacionais. Em qualquer caso, quando chegam a ser "premiados" com viagens é porque o imperialismo descobriu que se tornaram receptivos à submissão de sua política. Tanto é assim que, em circunstância alguma, o imperialismo aceita que os candidatos às viagens sejam escolhidos livre e democraticamente pelas assembleias sindicais.

Uma vez chegados aos Estados Unidos, esses dirigentes sindicais, desde o primeiro até o último momento de sua estada, são assistidos por elementos especializados, diplomados pelas universidades na arte de relações públicas e humanas. Suas habilidades lhes permitem conhecer intimamente cada delegado, suas tendências e suas fraquezas o que lhes possibilita descobrir o grau de confiança e a qualidade da tarefa que cada dirigente pode merecer e executar quando voltar ao seu país de origem.

Ao lado das amostras do desenvolvimento da técnica e da ciência, que realmente podem causar admiração a qualquer pessoa procedente de um país atrasado como o nosso, os dirigentes sindicais visitantes são submetidos a uma intensa programação recreativa, oportunidade em que melhor revelam suas fraquezas e são "trabalhados moralmente" para receberem os ensinamentos dos ideólogos do imperialismo.

Geralmente, o dirigente sindical depois de uma visita aos Estados Unidos, volta com rendosa remuneração a título de pagamento por serviços prestados a uma das entidades internacionais já referidas. De modo que, se antes da viagem já era um defensor do "sindicalismo livre", depois, volta um "entusiasta" propagandista da ideologia do imperialismo.

Um simples artigo não esgota o que realmente encerra uma visita de um dirigente sindical aos Estados Unidos. Hoje, cada cidade importante ou entidade sindical tem o seu próprio exemplo. Nosso objetivo é chamar a atenção de todo o Partido, principalmente dos comunistas que atuam no movimento sindical para desmascarar e denunciar a atividade dos agentes e organizações sindicais internacionais do imperialismo, revelando aos trabalhadores sua verdadeira face e seus reais objetivos. Cada comunista tem a obrigação de esclarecer aos trabalhadores particularmente a cada ativista sindical que representa uma visita a um país cujo governo afoga em sangue as aspirações libertárias dos vietnamitas, agride permanentemente a Revolução, invade a República Dominicana, fomenta golpes de estado em todo mundo para manter os povos escravizados e que cria e saqueia o próprio povo brasileiro.

ROUTED

Date: 4/28/67

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL REGISTERED
(Priority)

TO : DIRECTOR, FBI (100-428091)
 FROM : SAC, NEW YORK (100-134637)
 SUBJECT: SOLO
 IS-C

On 4/28/67, there was received from the Soviets, via radio, a partially-coded, ciphered message, which was a repeat of the message sent on 4/24/67. It would appear that the Soviets did not receive the acknowledgment signal sent at 5:05 PM on 4/24/67. (See NY airtel 4/24/67)

In view of the above, instant message will be acknowledged at 5:05 PM on 4/28/67.

1-904 (RM)
 1 - Bureau (RM)
 1 - Chicago (134-46-Sub B) (AM RM) REC 30
 1 - NY 134-91 (INV) (41)
 1 - NY 105-14931-Sub C (TALANOV) (341)
 1 - NY 100-134637 (41)

JEL:msb
 (8)

EX-113

6 MAY 2 1967

Approved: _____

Sent _____ M Per _____

Special Agent in Charge

65

MAY 5 1967

~~CONFIDENTIAL~~

DECLASSIFICATION AUTHORITY DERIVED FROM:
FBI AUTOMATIC DECLASSIFICATION GUIDE
DATE 11-30-2011

100-428091

1 - Mr. Harrell
1 - Liaison
1 - Mr. R.C. Putnam

Date: May 1, 1967

To: Director
Bureau of Intelligence and Research
Department of State

From: John Edgar Hoover, Director

Subject: COMMUNIST PARTY OF MEXICO

5020

A source which has supplied reliable information in the past has advised as follows.

The Communist Party, USA, has received information that it will be invited to send a delegate or delegates to the Congress of the Communist Party of Mexico to be held in June, 1967. No official notification has been received as yet.

As soon as additional information is developed, you will be advised.

1 - Director
Central Intelligence Agency

Attention: Deputy Director, Plans

1 - Legat, Mexico City

ATTENTION: LEGAT, Mexico City

As soon as information concerning identity of Communist Party, USA, delegates is available, you will be advised.

1 - Foreign Liaison Unit (route through for review)

RCP:dmk (9)

NOTE: Classified "Confidential" since unauthorized disclosure of this information could reveal the identity of the source (NY694-S*) who is of continuing value and such revelation could result in grave damage to the Nation. Data was developed by GROUP 1 NY 694-S* while on Solo Mission 23 to the Soviet Union. Data extracted from Excluded from automatic downgrading and declassification 4/26/67 captioned "Solo, IS-C."

BY COURIER SVC.
37 MAY 1
COMM-FBI

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DeLoach _____
Mohr _____
Wick _____
Casper _____
Callahan _____
Conrad _____
Felt _____
Gale _____
Rosen _____
Sullivan _____
Tavel _____
Trotter _____
Tele. Room _____
Holmes _____
Gandy _____

MAIL ROOM ☐ TELETYPE UNIT ☐

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CC DESTROYED 6/16/67

EX-112

REC-82

100-428091-6233

55
MAY 8 1967

ROUTE IN ENVELOPE

Date: 4/28/67

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL REGISTERED
(Priority)

TO : DIRECTOR, FBI (100-428091)
 FROM : SAC, NEW YORK (100-134637)
 SUBJECT: SOLO
 IS-C

ReBuairtel 4/25/67, requesting that the Bureau be advised with regard to all developments in the current Securities and Exchange Commission's investigation of stock transactions.

Enclosed herewith for the Bureau and Chicago is a Xerox copy of an article appearing the "Wall Street Journal" of April 27, 1967, entitled "Stock Rigging Investigation Focuses On 1966 Sunday Meeting of Brokers."

100-904-2505-100
 3 - Bureau (Enc. 1) (RM)
 1 - Chicago (134-46-Sub B) (Enc. 1) (AM RM)
 1 - NY 134-91 (INV) (41)
 1 - NY 100-134637 (41)

JFL:msb
 (7)

REC-9

100-428091-6234

LRI 100-100-100

MAY 3 1967

MAY 1 8 21 AM '67

Approved: 55

65 MAY 11 1967 Special Agent in Charge

Sent

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Per

Stock Rigging Investigation Focuses On 1966 Sunday Meeting of Brokers

Subject Was Hercules Gallion, 1 of 7 Listings on American Exchange Under Scrutiny

By JOHN F. LYONS

Staff Reporter of THE WALL STREET JOURNAL

NEW YORK — Investigators checking for possible price rigging on the American Stock Exchange apparently are giving close attention to a mysterious meeting of stock brokers in New York early last year.

The meeting, held Sunday, March 13, 1966, at the International Hotel near John F. Kennedy International Airport, was attended by 14 brokers and investors, mostly from the New York area. The investigation to date has centered on brokerage activities in Cleveland and Chicago; this is the first definite indication that New Yorkers also could be involved.

The topic at the meeting was the market prospect for Hercules Gallion Products Inc.—one of seven American exchange stocks since suspected of being rigged. Shares of Hercules Gallion, a Gallion, Ohio, manufacturer of dump-truck bodies and holsts, had soared in price from \$5.50 a share in 1965 to \$14.625 early in 1966, but in the week immediately preceding the New York meeting had sagged to \$12.

Other stocks involved in the current investigations, which are being conducted by a Federal grand jury in New York, the American exchange, the Illinois attorney general and the Chicago police, apparently weren't discussed at the meeting. They include Rowland Products Inc., Leeco-Neville Co., Diversified Metals Corp., Pentron Electronics Corp., Duraloy Co. and Savoy Industries Inc., as well as Mercury Chemical Corp., traded over the counter.

Acme Missiles President There

However, the president of another American Stock Exchange-listed company—Alvin Fried of Acme Missiles & Construction Corp.—attended the meeting, strictly as an investor, he says. Mr. Fried says he had made a "personal investment" in 1,000 shares of Hercules Gallion in early 1966 at \$14 each and was concerned about its declining price.

Mr. Fried says he had inquired around about the price weakness and that his broker informed him that the situation would be discussed at a New York meeting with the company's management.

But when the New Yorkers showed up at the hotel, according to current eyewitness accounts, the only Hercules Gallion man present was Irving Taub, a director from Chicago, who was also a director of First National Bank of Lincolnwood, Ill., a Chicago suburb. He died of a heart attack several months ago.

Presiding at the meeting was a man identified as Burton (Buddy) Kozak, a Chicago registered representative then employed by Link, Gorman, Peck & Co. and later by the Chicago branch of Edward N. Siegler & Co. of Cleveland, which was pushed into insolvency in May 1966 because of stock trading irregularities. Later, both Link-Gorman and Siegler's trustee sued Mr. Kozak, First National Bank of Lincolnwood and other defendants, seeking recovery of \$1.5 million for stock allegedly

ordered through the brokerage houses but never paid for.

Mr. Kozak is known to have attended because he accepted a \$199 bill from the hotel for the meeting room. The bill wasn't paid until months later. Other Chicagoans asserted to have attended the meeting include the president of a finance company and George Georges, a businessman who also is a defendant in the suit brought by Siegler's trustee.

Mr. Georges, reached at the New York Hilton Hotel yesterday, however, is adamant in his denials of attending the meeting. He said: "I attended no meeting. I have no comment to make and I wish people would stop prying into my affairs."

A New York stock broker who admits attending the meeting says most of the time was spent discussing Hercules Gallion's plan to merge with Liquidonics Industries Inc., a Westbury, N.Y., manufacturer of hydraulic and telecommunications equipment.

Mr. Fried confirms that this was the principal topic of discussion. He said he spoke to Mr. Taub about it and "I was given the assurance that the deal would go through eventually." Mr. Fried says he later sold his Hercules Gallion stock for \$7 a share, half what he paid for it. He insists that his own company, Acme Missiles, wasn't involved in his decision to take a position in Hercules Gallion.

Merger Talks Evidently Held

Whatever happened at the meeting, there isn't much doubt that Hercules Gallion was discussing merger with Liquidonics about 18 months ago. At that time, according to a source close to Hercules Gallion, Liquidonics was trading over-the-counter at about \$3 a share and the price of Hercules Gallion stock was in the \$8 range. Then, during the merger discussions, the price of Liquidonics skyrocketed past Hercules Gallion and the Liquidonics management became disillusioned with the exchange offer of one Hercules Gallion share for each two of Liquidonics. The negotiations finally were broken off. Yesterday, Liquidonics was quoted at \$95 bid in the over-the-counter market while Hercules Gallion closed at \$7.375 on the American board.

Among the biggest stockholders of Hercules Gallion is its chairman, David Van Alstyne Jr., a New York City investment banker who holds 55,000 common shares in his own name and that of his family. Another large stockholder is Irving Projansky, chairman of First National Bank of Lincolnwood, which is accused in a civil suit of knowing about the alleged plot to defraud Siegler through unpaid for stock orders. The latest proxy statements on file with the American Stock Exchange list Mr. Projansky as holding 36,514 shares. He became a director of the company in 1963 after he started buying Hercules Gallion stock.

Mr. Projansky couldn't be reached yesterday for comment, but in previous statements he has vigorously defended himself and his bank as being innocent of any of the alleged improprieties.

Mr. Taub was elected to the Hercules board on Nov. 7, 1962. Mr. Taub was also a vice president and director of Argus Capital Corp., Chicago. Mr. Projansky had at least until fairly recently been a vice president and a director of Argus.

100-428091-6234
ENCLOSURE

Mr. Kozak has previously testified in depositions that he knew many First of Lincolnwood employees including Stuart Projansky, an assistant vice president, who has been identified as a relative of the bank's chairman. Mr. Kozak said that one of his customers, identified as Marshall Bauer, actually bought and sold stock on orders that were placed by Stuart Projansky. Many of the Bauer-Projansky accounts, Mr. Kozak testified, were directed to the First of Lincolnwood for payment.

Insufficient Funds

Mr. Kozak has said that once "that I know of" the situation arose when Mr. Bauer's account had insufficient funds on hand at First of Lincolnwood to pay for stock. Testifying about the difficulty in meeting the bank draft, Mr. Kozak said, "I don't know the date, but I came out to the bank and Stuart mentioned to me that he was having a little difficulty in taking in the draft." The draft was on stock bought for Mr. Bauer's account.

Mr. Kozak, in his testimony, is vague about the International Hotel bill. He says, "They sent me a bill asking for payment on a bill, and I didn't know how the bill ever got to me, and I was trying to figure it out."

Many of the brokers who have been identified as having attended the New York meeting, when checked yesterday, said either that they didn't attend or that they had nothing to say about it. One broker abruptly hung up his phone as soon as he was questioned by a reporter.

Hertz, Neumark & Co., a New York member firm of both the New York Stock Exchange and the American exchange admits that it is investigating the alleged attendance of two of its customers men at the meeting. It's known that a number of brokers at other firms also are being investigated and that some have been suspended by their firms until their role at the session can be explained.

Investigators from both the American exchange and the Federal grand jury won't talk about the matter, but from other sources in the brokerage field it's known that one of the matters that intrigues the investigators is the apparent secrecy of the meeting and its seeming urgency, as it was held on a Sunday. The investigators, it's understood, are also trying to find out if similar meetings have been held by brokers concerning the other six companies whose stock action last year is being studied.

The direction the investigations are taking was indicated last week by the American exchange, which stated:

"The pattern of activity which is emerging . . . indicates that certain customers, acting in concert, were taking sizable positions in a small number of securities. Other members of the public were then urged to purchase the stocks on the strength of merger prospects, favorable earnings forecasts or technical considerations. As public interest was aroused and prices rose, the original group was in a position to sell out at substantial profits. The exchange's investigation also indicates that unregulated lenders have financed, to a significant degree, the capital needed by persons engaged in these activities."

FEDERAL BUREAU OF INVESTIGATION
FOIPA
DELETED PAGE INFORMATION SHEET

No Duplication Fees are charged for Deleted Page Information Sheet(s).

Total Deleted Page(s) ~ 6

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Page 151 ~ b7E